



ANN ARBOR PUBLIC SCHOOLS
LEAD. CARE. INSPIRE.

AAPS Budget Briefing
FY 2025-26 Final Amendment
FY 2026-27 Proposed Budget
Board of Education
June 3, 2026

AGENDA

1

FY2026 FINANCIAL REVIEW



GENERAL FUND



REVENUE



EXPENDITURES



SPECIAL FUNDS



REVENUE



EXPENDITURES

2

FY2027 BUDGET



FY2026 BUDGET – TRADITIONAL VIEW

FY2026 BUDGET

A traditional view of the FY2026 Proposed Amended Budget showing revenues, expenditures, and fund balance.

	2025-2026 Proposed Amended Budget June 17, 2026
Revenue	
Local sources	\$ 117,272,716
State sources	146,002,877
Federal sources	9,237,913
Interdistrict sources	38,447,058
Total Revenue	\$ 310,960,564
Expenditures	
Instructional Services	
Basic Programs (111x)	\$ 139,249,350
Added Needs (112x)	44,541,408
Adult & Continuing Education (113x)	310,209
Total Instructional Services	\$ 184,100,967
Instructional Support Services	
Pupil (121x)	\$ 37,865,671
Instructional Staff (122x)	14,110,983
School Administration (124x)	17,021,098
Athletics (129x)	4,820,711
Total Instructional Support Services	\$ 73,818,493
Non-Instructional Support Services	
General Administration (123x)	\$ 3,659,601
Business Services (125x)	2,881,123
Operations & Maintenance (126x)	23,847,973
Transportation (127x)	13,962,128
Central (128x)	8,407,767
Total Non-Instructional Support Services	\$ 52,761,592
Community Activities	\$ 1,236,629
Other Financing Sources/Uses	\$ 395,512
Total Expenditures	\$ 312,313,193
Revenue Over (Under) Expenditures	\$ (1,352,629)
Fund Balance - Beginning of Year	\$ 21,642,739
Fund Balance - End of Year	\$ 20,290,110
Fund Balance as a Percent of Revenues	6.52%
Fund Balance as a Percent of Expenditures	6.50%

FY2026 Overall Budget Performance

Compared to 1st Amended Budget



Total Revenue
\$310.96M
 +\$3.39M (1.10%)
 vs 1st Amended



Total Expenditures
\$312.31M
 +\$0.90M (0.29%)
 vs 1st Amended



Net (Under) Over
(\$1.35M)
 ↑ +\$1.35M Improvement
 vs 1st Amended

 Approximately 0.4% of Total Budget



Ending Fund Balance
\$20.29M
 +\$2.49M Improvement
 vs 1st Amended

FY2026 (As of June 17, 2026)	1st Amended Budget	Final Budget	Variance \$	Variance %
Total Revenue	\$307.57M	\$310.96M	\$3.39M	1.10%
Total Expenditures	\$311.41M	\$312.31M	\$0.90M	0.29%
Revenue Over (Under) Expenditures	(\$3.84M)	(\$1.35M)	\$2.49M	64.86%
Ending Fund Balance	\$17.80M	\$20.29M	\$2.49M	14.00%
<i>Fund Balance as a Percent of:</i>				
Revenues	5.79%	6.52%	0.73%	
Expenditures	5.72%	6.50%	0.78%	

Key Takeaways

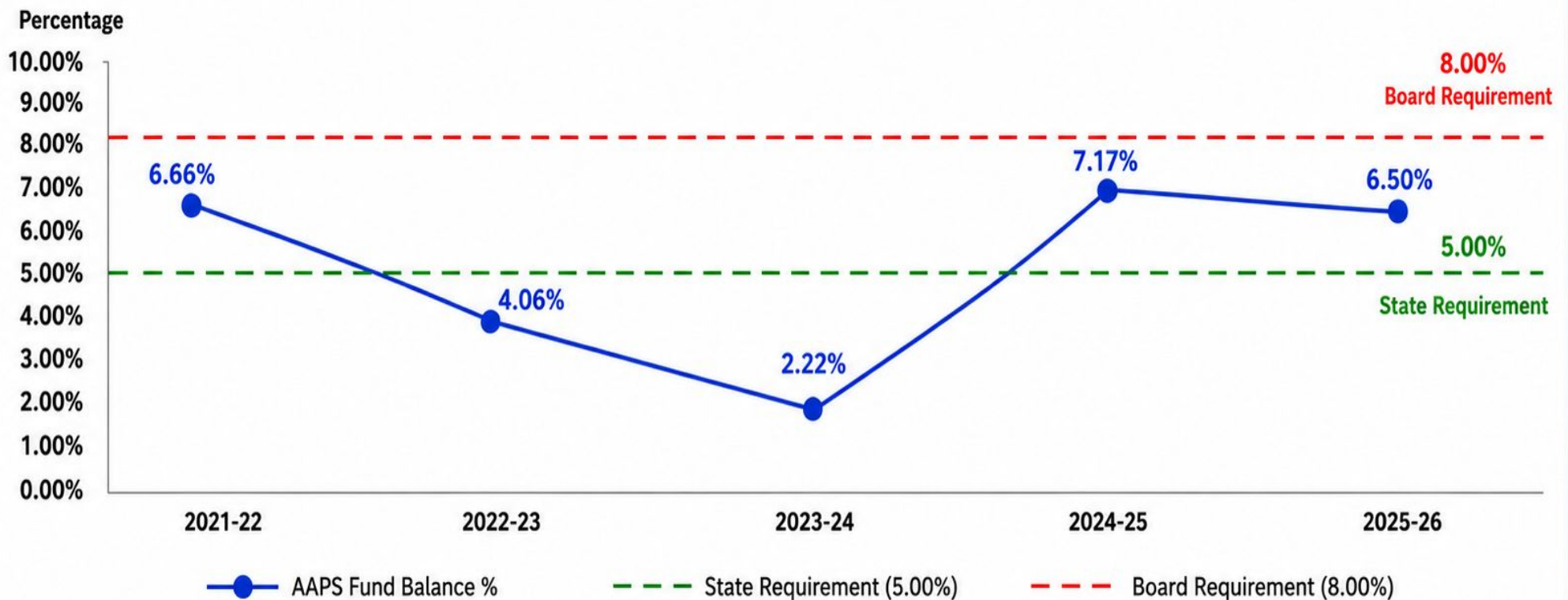
- Revenues exceed plan due to increase to Local Sources.**
 Stronger-than-expected collections in local sources and other financing sources.
- Expenditures slightly above plan.**
 Includes planning for *educator increases* which have not occurred yet.
- Stronger financial position**
 Net improvement of \$2.49M compared to the 1st Amended Budget.

5-Year Analysis for Fund Balance Percentage – AAPS



- The last two fiscal years (FY2024-25 and FY2025-26) have risen above the **5.00%** state requirement, but remain below the Board requirement of **8.00%**.

Fund Balance Percentage Trend (5-Year)

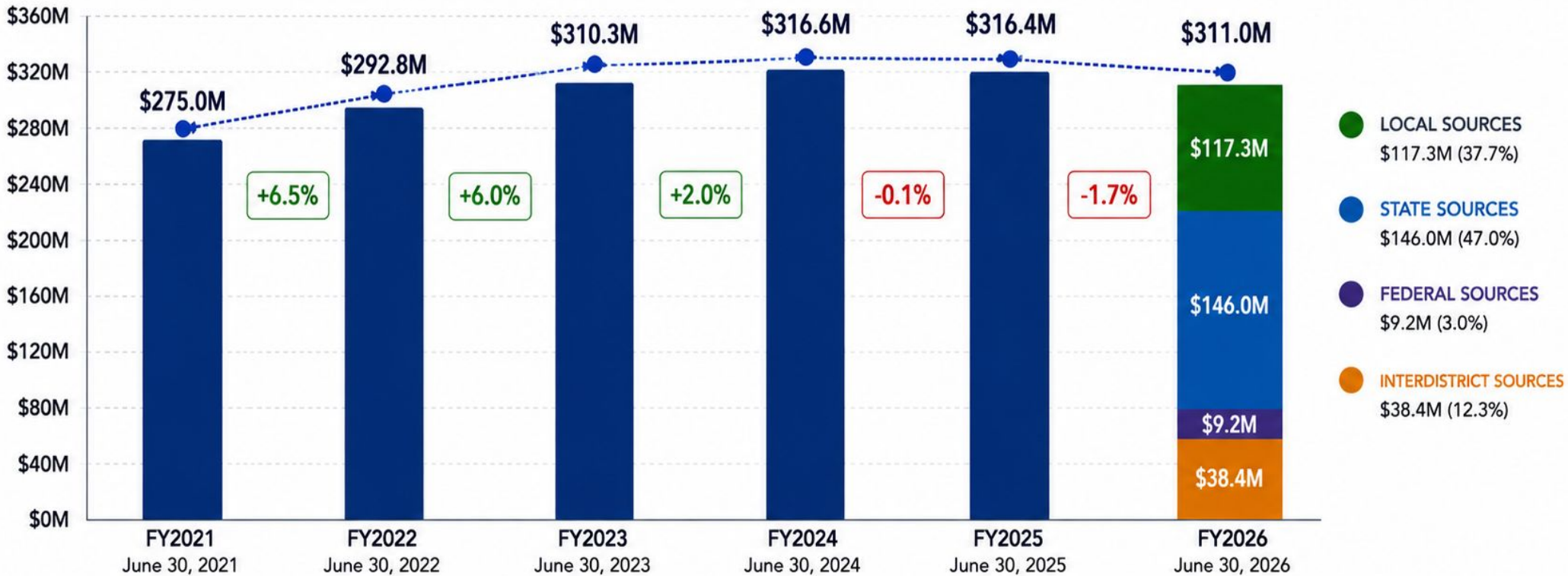


AAPS REVENUE ANALYSIS

CHANGE IN TOTAL REVENUE FROM FY2021 TO FY2026



REVENUE (IN MILLIONS)



↓ TOTAL REVENUE DECREASED BY \$5.40M (-1.7%) FROM FY2025 TO FY2026.
Declines in state and interdistrict sources exceeded increases in local revenues.

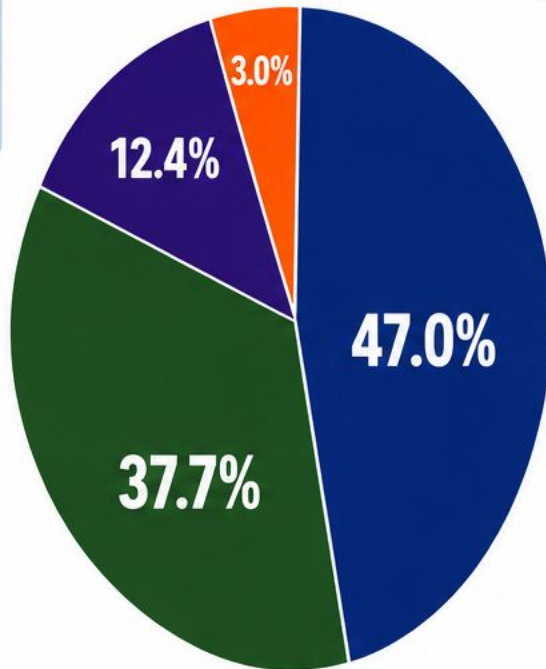
OVERVIEW OF FY2026 REVENUES

Financial Year Ended June 30, 2026

GENERAL FUND REVENUE BY SOURCE (FY2026)

Total Revenue & Incoming Transfers
\$310.96M

100%
of total revenue
(includes all sources)



State Sources
\$146,002,877 (47.0%)

Foundation allowance/state aid, categorical aid, special education reimbursement, Section 31a, at-risk funding, transportation aid, CTE aid, etc.

Local Sources
\$117,272,716 (37.7%)

Property taxes, local millages, interest earnings, rentals, athletics, local grants, fees, miscellaneous local revenue.

Interdistrict Sources (Act 18 Funds)
\$38,447,058 (12.4%)

School of Choice/nonresident tuition, consortium agreements, shared time, special education pass-throughs, Act 18/WISD related flows, tuition reimbursements from other districts.

Federal Sources
\$9,237,913 (3.0%)

IDEA, Title I, II, IV, Headstart, Grow Your Own, ERate.

i Total Revenue & Incoming Transfers (OFS) = \$310.96 Million
Percentages may not sum to 100% due to rounding.

KEY DRIVERS / NOTES



STATE AID IS THE LARGEST REVENUE SOURCE

At \$146.0M, state sources represent 47.0% of total revenue.



LOCAL INVESTMENT REMAINS STRONG

Local sources total \$117.3M, or 37.7% of total revenue, due to two large parking events.



INTERDISTRICT REVENUE IS SIGNIFICANT

Interdistrict sources total \$38.4M, or 12.4% of total revenue, supporting key programs and services.



FEDERAL FUNDING IS A SMALLER PORTION

Federal sources total \$9.2M, or 3.0% of total revenue.



MONITORING REVENUE DRIVERS IS ESSENTIAL

Economic conditions, state policy, and enrollment trends will impact revenue. Ongoing monitoring helps drive informed budget decisions.

FY2026 REVENUE BY SOURCE (PROPOSED FINAL BUDGET)

Revenue	2025-2026 (Proposed Final Budget)
Local sources	\$ 117,272,716
State sources	\$ 146,002,877
Federal sources	\$ 9,237,913
Interdistrict sources (Act 18 Funds)	\$ 38,447,058
Total Revenue	\$ 310,960,564



WHY IT MATTERS

Understanding the sources of our revenue helps inform budget priorities, identify risks, and support long-term financial sustainability for AAPS students and staff.



FOCUS AREAS

- ✓ Enrollment and retention
- ✓ State funding decisions
- ✓ Local tax base and millage support
- ✓ Grant opportunities

FY2025 VS. FY2026 REVENUE VARIANCE ANALYSIS

Financial Audit Year Ended June 30, 2025

This analysis compares total revenues and key funding sources between FY2025 (Audited) and FY2026 (Proposed Final Budget).

REVENUE COMPARISON BY SOURCE				
Revenue Source	FY2025 (Audited) June 30, 2025	FY2026 (Proposed Final Budget) June 17, 2026	\$ Change	% Change
State Sources	\$149,545,042	\$146,002,877	\$(3,542,165)	-2.4%
Local Sources	\$112,756,637	\$117,272,716	\$4,516,079	+4.0%
Federal Sources	\$9,770,886	\$9,237,913	\$(532,973)	-5.5%
Interdistrict Sources (Act 18 Funds)	\$44,284,598	\$38,447,058	\$(5,837,540)	-13.2%
TOTAL REVENUE	\$316,357,163	\$310,960,564	\$(5,396,599)	-1.7%

KEY TAKEAWAYS & DRIVERS



WHY STATE SOURCES DECREASED

- Loss of state revenue is due to lower enrollment, which results in less foundation allowance.
- Additionally, we received less in state categorical grant funding (e.g., 31aa – Per Pupil Mental Health and School Safety Grant).



LOCAL SOURCES INCREASED

- Local sources increased by \$4.52M, or 4.0%.
- Increase is primarily due to better than expected interest earnings on investments and two large parking events.



FEDERAL SOURCES DECREASED

- Federal sources decreased by \$0.53M, or 5.5% from FY2025 to FY2026.
- Decrease was due primarily to ECF Funds (Emergency Connectivity Funds) that totaled \$306,415.07 in 2025 and no funding in 2026. The Grow Your Own Grant Funds was a lesser grant spend than 2025.



INTERDISTRICT SOURCES (ACT 18 FUNDS) DECREASED

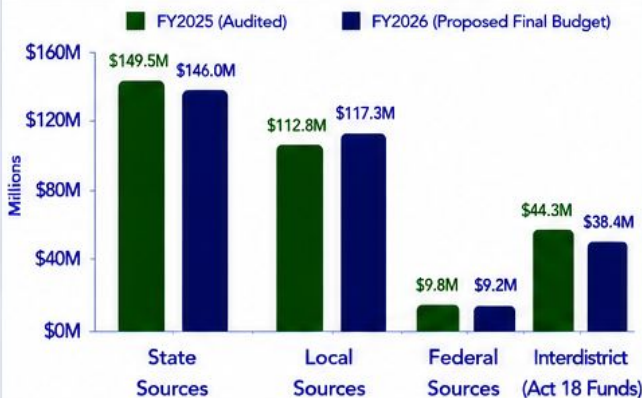
- Interdistrict (Act 18) funds decreased by 13.2% due to lower Act 18 funding from a reduced WISD allocation and a larger portion allocated to districts with higher special education cost.



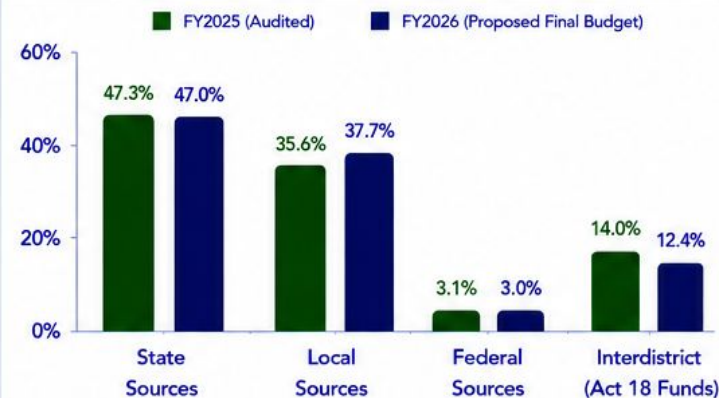
TOTAL REVENUE DECREASED

- Total revenues decreased by \$5.40M, or 1.7% from FY2025 to FY2026.

REVENUE BY SOURCE – COMPARISON



PERCENT OF TOTAL REVENUE – COMPARISON



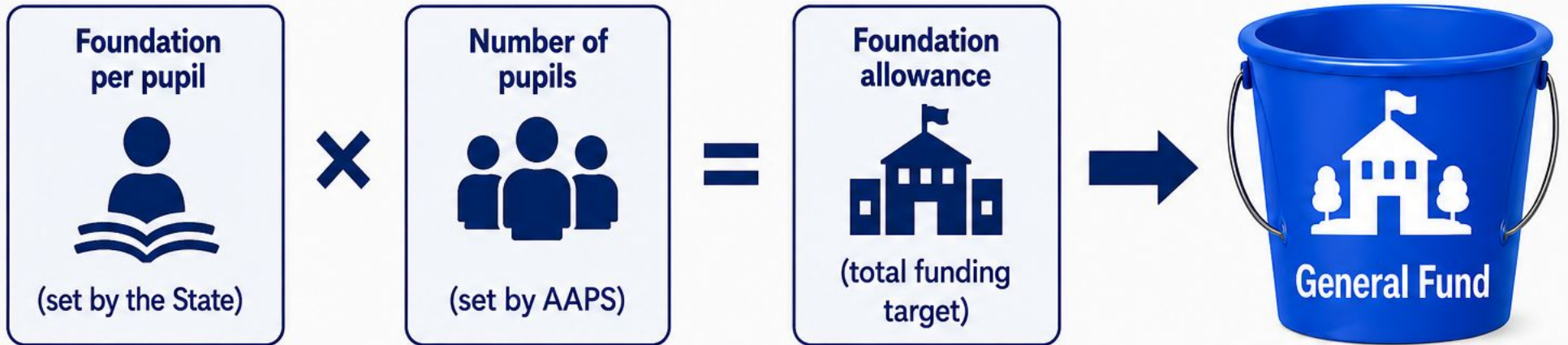
WHY IT MATTERS

Understanding year-over-year revenue changes helps inform budget planning, identify risks, and support long-term financial sustainability for AAPS students and staff.

FOCUS AREAS

- Enrollment and retention
- State funding stability
- Local tax base and millage support
- Grant opportunities

How the Foundation Allowance for AAPS Works



YOUR FOUNDATION ALLOWANCE

The foundation allowance is collected from a combination of:

1 Local property taxes
(18 mills on non-homestead properties)



2 State School Aid Fund
(provided by the State of Michigan)



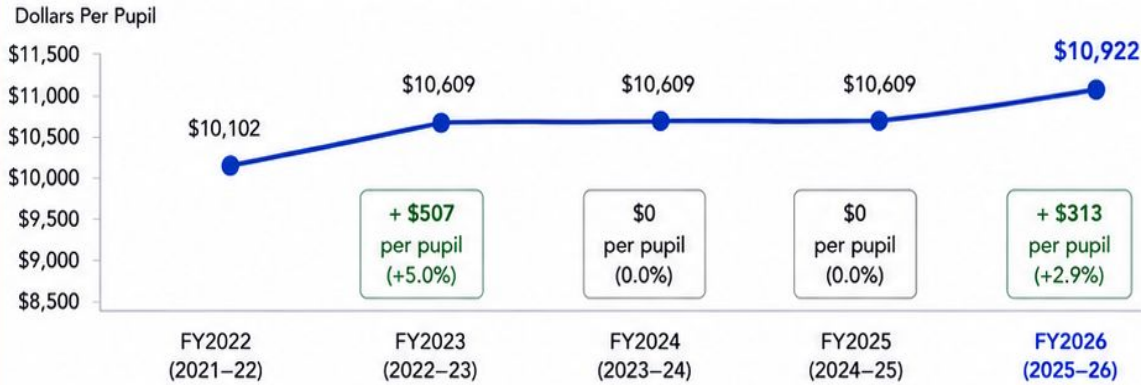
This funding supports the General Fund, which pays for day-to-day operations, including teacher and staff salaries, benefits, instruction, transportation, and more.

Key Points

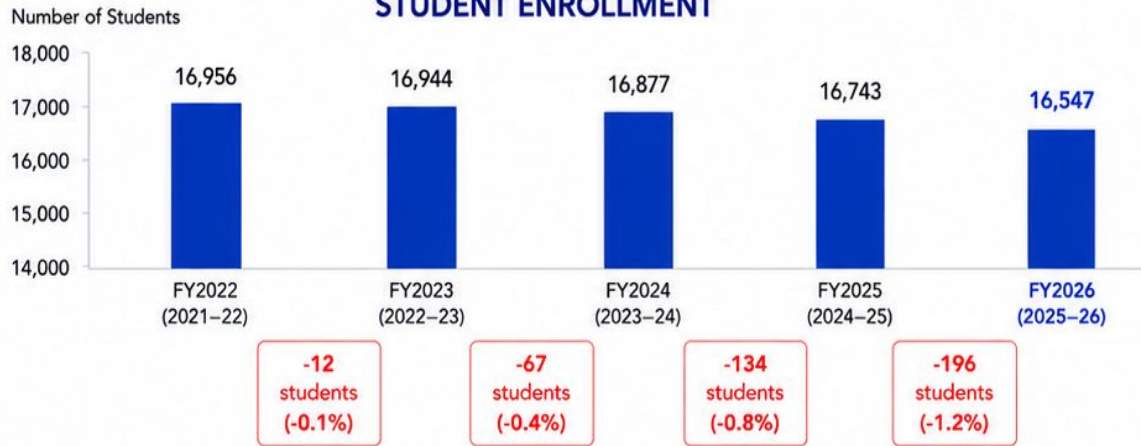
- ✓ The State sets the foundation per pupil amount.
- ✓ AAPS determines the number of pupils.
- ✓ Together, they determine your foundation allowance.
- ✓ The allowance is funded by a combination of local property taxes (18 mills on non-homestead properties) and State School Aid Fund.

Ann Arbor Public Schools: Foundation Allowance & Enrollment Trends (FY2022–FY2026)

FOUNDATION ALLOWANCE PER PUPIL (Base Foundation)



STUDENT ENROLLMENT



FY2025–FY2026 KEY TAKEAWAYS



FOUNDATION ALLOWANCE INCREASED

Foundation allowance increased by \$313 per pupil (+2.9%) from \$10,609 in FY2025 to \$10,922 in FY2026. Total increase in foundation allowance: \$2.5M.



ENROLLMENT DECREASED

Enrollment decreased by 196 students (-1.2%) from 16,743 in FY2025 to 16,547 in FY2026.



TOTAL FOUNDATION DOLLARS DECREASED

Total foundation allowance dollars decreased by \$2.5M (-1.4%) from \$177.7M in FY2025 to \$175.2M in FY2026.



PER PUPIL FUNDING STRENGTH INCREASED

Per pupil funding increased by \$313 (+2.9%) from \$10,609 in FY2025 to \$10,922 in FY2026.

FOUNDATION ALLOWANCE DOLLARS (Total)

Fiscal Year	Enrollment	Foundation Allowance Per Pupil	Total Foundation Allowance Dollars	Change from Prior Year
FY2022 (2021–22)	16,956	\$10,102	\$171.2M	—
FY2023 (2022–23)	16,944	\$10,609	\$179.6M	+\$8.4M (+4.9%)
FY2024 (2023–24)	16,877	\$10,609	\$179.0M	-\$0.6M (-0.3%)
FY2025 (2024–25)	16,743	\$10,609	\$177.7M	-\$1.3M (-0.7%)
FY2026 (2025–26)	16,547	\$10,922	\$175.2M	-\$2.5M (-1.4%)



BOTTOM LINE (FY2025–FY2026):

Foundation allowance per pupil increased \$313 (+2.9%), enrollment decreased by 196 students (-1.2%), and total foundation allowance dollars decreased \$2.5M (-1.4%) compared to FY2025.



FOUNDATION ALLOWANCE PER PUPIL CHANGE

+\$313 (+2.9%)



ENROLLMENT CHANGE

-196 (-1.2%)



TOTAL FOUNDATION ALLOWANCE DOLLARS CHANGE

-\$2.5M (-1.4%)

Note: Foundation allowance per pupil is based on the base foundation allowance.

AAPS AT A GLANCE: CHANGE FROM FY2025 TO FY2026

Increase in Foundation Allowance, but **State Revenue Declines Due to Student Enrollment Loss.**



STATE REVENUE
FY2025 to FY2026
-\$3.5M
(-2.3%)



FOUNDATION ALLOWANCE
FY2025 to FY2026
+\$313
(+2.9%)



FTE STUDENTS
FY2025 to FY2026
-196
(-1.2%)

KEY METRICS COMPARISON

METRIC	FY2025 (Proposed Final Budget)	FY2026 (Proposed Final Budget)	CHANGE (PY2025 to FY2026)	% CHANGE
STATE REVENUE	\$149,545,042	\$146,002,877	-\$3,542,165	-2.3%
FOUNDATION ALLOWANCE (per pupil)	\$10,609	\$10,922	+\$313	+2.9%
FTE STUDENTS	16,743	16,547	-196	-1.2%

WHY STATE REVENUE DECREASED BY \$3,542,165

The \$3,542,165 decrease in State Revenue is primarily due to the decline in student enrollment, which more than offset the increase in Foundation Allowance.

Total Foundation Allowance Loss	\$ 2,500,000
Categorical Losses (i.e. 31aa Mental Health)	\$ 1,042,165
Net State Revenue Funding Loss	\$ 3,542,165

FOUNDATION ALLOWANCE (per pupil)



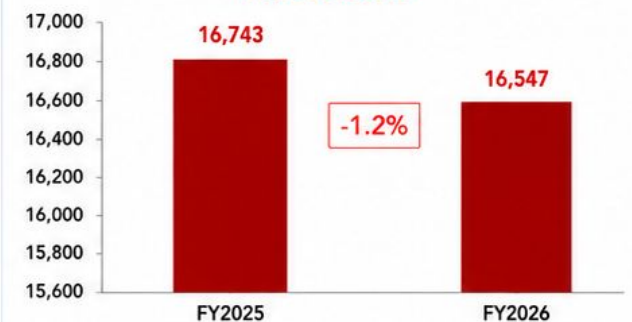
INCREASE IN FOUNDATION ALLOWANCE

STATE REVENUE



DECREASE IN STATE REVENUE

FTE STUDENTS



DECREASE IN STUDENT ENROLLMENT

AAPS Expenditures/ Spending

UNDERSTANDING HOW RESOURCES ARE INVESTED IN OUR STUDENTS

An analysis of where AAPS general fund dollars are spent, how spending has changed over time, and what it means for our schools and community.



OUR COMMITMENT

AAPS is committed to responsible stewardship of public resources and transparency in how we invest in student success.



OUR FOCUS

Investing the majority of resources in people, programs, and services that directly support student learning.



OUR GOAL

Ensure every dollar spent advances academic achievement, well-being, and opportunities for all students.



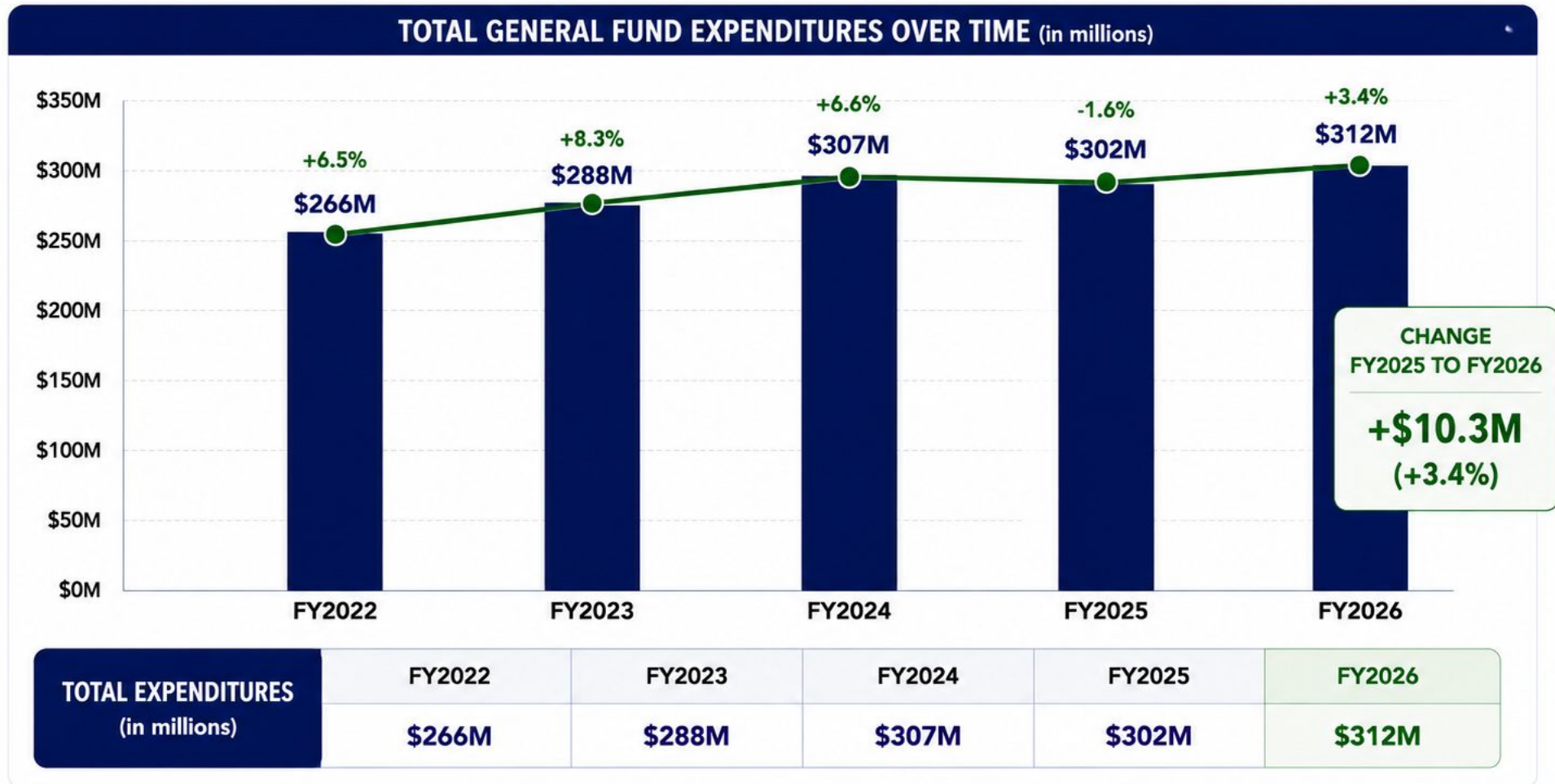
OUR IMPACT

Strong schools.
Thriving students.
Stronger community.

LEAD. CARE. INSPIRE.

RIISING COSTS OF PUBLIC SCHOOL EDUCATION

AAPS General Fund Expenditures



KEY DRIVERS OF GROWTH



Investing in staff, services, and operations



Supporting student learning and well-being



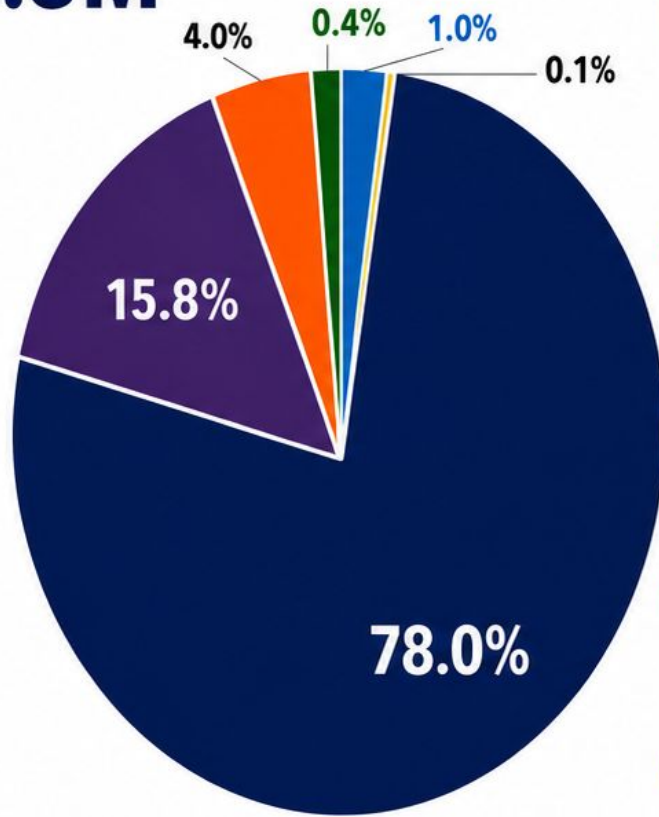
Planning responsibly for long-term sustainability

OVERVIEW OF FY2026 EXPENDITURES

Financial Year Ended June 30, 2026

Total General Fund Expenditures

\$312.3M



- **Wages & Benefits**
\$243,524,466 (78.0%)
Includes wages, benefits, and other compensation.
- **Purchased Services**
\$49,202,825 (15.8%)
Includes services such as substitutes, transportation, and custodial/maintenance.
- **Supplies**
\$12,617,218 (4.0%)
Includes utilities and operating supplies.
- **Miscellaneous**
\$1,224,081 (0.4%)
Includes dues, fees, and other miscellaneous costs.
- **Tuition paid to WISD**
\$3,006,738 (1.0%)
Tuition for special education services.
- **Capital Outlay**
\$2,395,231 (0.1%)
Costs for furniture, equipment, and other capital purchases.
- **Transfers out**
\$342,634 (0.01%)
Transfers to other funds.

KEY TAKEAWAYS



People costs dominate.

78.0% of total General Fund spending (Wages & Benefits) supports our employees.



Purchased Services is the second largest category.

15.8% of spending (\$49.2M) goes to services such as substitutes, transportation, and custodial/maintenance.



Supplies represent 4.0%.

Includes many utility and operating supply costs.



Miscellaneous costs are minimal.

Only 0.4% (\$1.2M) for items such as dues, fees, and other costs.



Other categories are minimal.

Tuition (1.0%), Capital Outlay (0.1%), and Transfers out (0.01%) make up a small portion of spending.

IMPACT OF CONTRACTED SERVICES SALARIES ON PERSONNEL EXPENDITURES

Including Custodial, Transportation, and Grounds/Maintenance

CONTRACTED SERVICES BREAKDOWN (ALL COMPONENTS)					
Category	Wages	Retirement	Taxes	Benefits	Total
Transportation	\$6,436,000	\$2,672,000	\$492,000	\$2,901,000	\$12,500,000
Custodial	\$6,887,000	\$2,859,000	\$527,000	\$2,487,000	\$12,760,000
Grounds/Mntc	\$3,470,000	\$1,440,000	\$265,000	\$808,000	\$5,983,000
Other contracted	\$1,600,000	\$664,000	\$122,000	\$564,000	\$2,950,000
TOTAL (ALL CONTRACTS)	\$18,393,000	\$7,635,000	\$1,406,000	\$6,760,000	\$34,193,000

IMPACT OF ADDING THE ENTIRE CONTRACT COST TO SALARIES & WAGES

Total AAPS Revenue Remains Unchanged at \$317,200,000



KEY TAKEAWAY:

Salaries & wages currently represent almost **76%** of AAPS total revenue. If the entire contract cost of **\$34 million** is added to salaries & wages, they would represent **87%** of total revenue, an increase of **11 percentage points**.

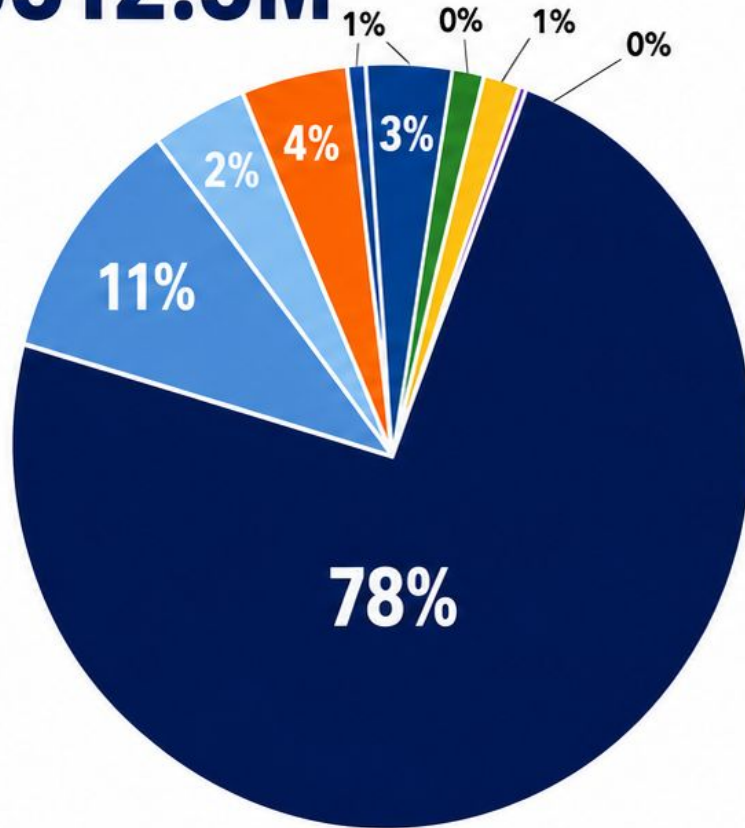
Note: All amounts are audited and reflect financial statements as of June 30 each year.

OVERVIEW OF FY2026 EXPENDITURES: PEOPLE COSTS ACCOUNT FOR 91% OF OUR SPEND

Financial Year Ended June 30, 2026

Total General Fund Expenditures

\$312.3M



Wages & Benefits	\$243,524,466	(78%)
Purchased Services (Contracted Staff)	\$34,193,000	(11%)
Purchased Services (EduStaff)	\$6,094,930	(2%)
Transfers out	\$342,634	(0%)
Capital Outlay	\$2,395,231	(1%)
Miscellaneous	\$1,224,081	(0%)
Purchased Services	\$8,914,895	(3%)
Supplies	\$12,617,218	(4%)
Tuition paid to WISD	\$3,006,738	(1%)
TOTAL	\$312,313,193	(100%)

KEY TAKEAWAY



**PEOPLE COSTS
ARE OUR
LARGEST INVESTMENT.**

When we combine
Wages & Benefits with
Purchased Services
(Contracted Staff) and
Purchased Services
(EduStaff),









**PEOPLE ACCOUNT FOR
91%
OF OUR SPEND.**

EXPENDITURE GROWTH BY CATEGORY (FY2025 – FY2026)

How Has Spending Changed Across Major Categories?

Financial Year Ended June 30, 2026









CHANGE IN EXPENDITURES BY CATEGORY (from FY2025 to FY2026)

Category	FY2025 (in millions)	FY2026 (in millions)	Change (in millions)	% Change
 Wages & Benefits	\$240.5M	\$243.5M	+ \$3.0M	+1.3%
 Purchased Services	\$45.9M	\$49.2M	+ \$3.3M	+7.1%
 Supplies	\$11.2M	\$12.6M	+ \$1.4M	+12.2%
 Capital Outlay	\$0.2M	\$2.4M	+ \$2.2M	+972.5%
 Tuition paid to WISD	\$2.9M	\$3.0M	+ \$0.1M	+4.5%
 Transfers out	\$0.04M	\$0.3M	+ \$0.3M	+665.3%
 Miscellaneous	\$1.3M	\$1.2M	- \$0.1M	-4.9%
 Other (Equipment, Dues & Fees)	\$0.1M	\$0.1M	- \$0.1M	-4.9%

TOTAL EXPENDITURES (in millions)	\$302.0M (FY2025)	\$312.3M (FY2026)	+ \$10.3M (+3.4%)
--	-----------------------------	-----------------------------	------------------------------------

Note: Amounts may not sum due to rounding.

KEY TAKEAWAYS

-  **SALARIES & BENEFITS UP \$3.0M (+1.3%)**
Reflects our ongoing investment in our educators and staff to support students every day.
-  **PURCHASED SERVICES UP \$3.3M (+7.1%)**
Growth driven by people-related services, transportation, custodial/maintenance, and grounds maintenance.
-  **SUPPLIES UP \$1.4M (+12.2%)**
Increase largely attributed to higher grant activity in Teaching & Learning, which supports student engagement, program enhancements, and classroom resources.
-  **CAPITAL OUTLAY UP \$2.2M (+972.5%)**
Increase primarily due to a bus grant. This grant includes corresponding revenue that is recorded in the same amount to offset the expenditure.
-  **TUITION PAID TO WISD UP \$0.1M (+4.5%)**
Slight increase in tuition for special education services.
-  **TRANSFERS OUT UP \$0.3M (+665.3%)**
Increase in transfers to other funds.
-  **MISCELLANEOUS DOWN \$0.1M (-4.9%)**
Decrease includes dues, fees, and other miscellaneous costs.
-  **OTHER COSTS DOWN \$0.1M (-4.9%)**
Decrease includes equipment, dues, and other operating costs.

ANN ARBOR PUBLIC SCHOOLS

Salaries & Wages: Investing in Our People, Strengthening Student Success

FY26 Salaries & Wages Detail – Total \$243.5 Million

OUR COMMITMENT



Our People Drive Student Success

\$243.5M

of Total Salaries & Wages

- ✓ We invest in our people because every student deserves the support they need to thrive.
- ✓ We attract, develop, and retain a dedicated, talented, and diverse workforce.
- ✓ We are committed to fair, competitive compensation that recognizes the value and contributions of all employees.

STAFF BREAKDOWN BY GROUP



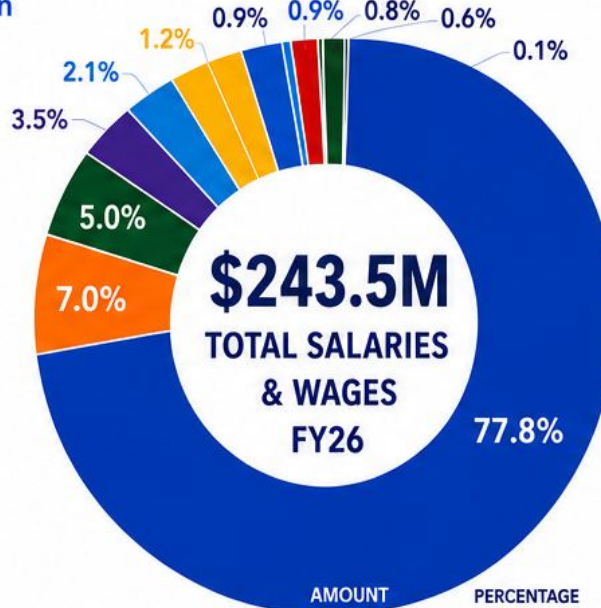
Teachers (AAEA)
\$189.7M | 77.8%

Parapros
\$17.1M | 7.0%

Principals (AAAA)
\$12.1M | 5.0%

All Other Groups
\$24.6M | 10.1%

All other groups include Office Professionals, Hourly, Directors, Tech Service, Cabinet Admin, Non-Bargained, Coordinators, and ParaPro.



	AMOUNT	PERCENTAGE
Teachers (AAEA)	\$189,734,684	77.8%
Parapros	\$17,107,274	7.0%
Principals (AAAA)	\$12,058,625	5.0%
Office Professionals	\$8,518,478	3.5%
Hourly	\$5,202,341	2.1%
Directors	\$2,253,432	1.2%
Tech Service (AFSCME)	\$2,229,436	0.9%
Cabinet Admin	\$2,181,620	0.9%
Non-Bargained	\$1,939,245	0.8%
Coordinators (ASCSA)	\$1,540,932	0.6%
ParaPro (SACC)	\$59,601	0.1%
TOTAL	\$243,524,467	100.0%

INVESTING IN OUR STAFF



- ✓ Supports recruitment and retention of a talented and dedicated workforce.
- ✓ Recognizes experience, expertise, and professional growth.
- ✓ Supports our students every day in every way.



Our goal is to fairly compensate all staff and value the critical role every employee plays in student success.

5-YEAR SALARIES & WAGES TREND



FISCAL YEAR	TOTAL	% CHANGE
2020-21	\$206.9M	–
2021-22	\$218.3M	5.5%
2022-23	\$227.9M	4.4%
2023-24	\$233.1M	2.3%
2024-25	\$240.5M	3.2%
2025-26	\$243.5M	1.3%

Reflects total salaries and wages for all staff.



Our people are our greatest asset. We are committed to competitive compensation, ongoing growth opportunities, and a supportive work environment for all staff. This investment strengthens our schools and creates a brighter future for every student.

AAPS SALARIES & WAGES BY FUNCTION

Investing in Our People, Strengthening Student Success

Comparison of FY 2024–25 and FY 2025–26

Total salaries & wages were \$243.5M in FY 2025–26 and increased \$3.0M(+1.3%) from FY 2024–25.



TOTAL SALARIES & WAGES
FY 2025–26
\$243.5M



YEAR-OVER-YEAR CHANGE
FY 2024–25 TO FY 2025–26
+ \$3.0M
(+1.3%)
(-15)



YEAR-OVER-YEAR CHANGE
FY 2024–25 TO FY 2025–26
-15
FTE

KEY TAKEAWAYS



Overall Increase:
Total salaries & wages increased \$3.0M (+1.3%) over the past year.



Largest Increase:
Hourly increased \$976,853 (+23.1%) over the prior year.



Largest Decrease:
Directors decreased \$787,587 (-21.1%) over the prior year.
This decrease is due to vacancies for most of 2025.



2nd Largest Decrease:
Principals decreased \$609,735 (-4.8%) over the prior year.
This decrease was a result of one eliminated position, 2 vacancies, and four people taking Cash-In-Lieu of Benefits which greatly reduces the spend.

SALARIES & WAGES BY FUNCTION (BY FISCAL YEAR)

FUNCTION	FY 2024–25 AMOUNT	FY 2025–26 AMOUNT	CHANGE (\$) FY 24–25 TO FY 25–26	CHANGE (%) FY 24–25 TO FY 25–26
Teachers (AAEA)	\$187,100,348	\$189,734,684	\$2,634,336	1.4% ↑
Parapros	\$16,547,357	\$17,107,274	\$559,917	3.4% ↑
Principals (AAAA)	\$12,668,360	\$12,058,625	\$(609,735)	(4.8%) ↓
Office Professionals	\$8,032,281	\$8,518,478	\$486,197	6.1% ↑
Hourly	\$4,225,488	\$5,202,341	\$976,853	23.1% ↑
Directors	\$3,739,819	\$2,952,232	\$(787,587)	(21.1%) ↓
Tech Service (AFSCME)	\$2,370,445	\$2,229,436	\$(141,009)	(5.9%) ↓
Cabinet Administration	\$2,244,854	\$2,181,620	\$(63,234)	(2.8%) ↓
Non-Bargained	\$2,120,676	\$1,939,245	\$(181,431)	(8.6%) ↓
Coordinators (ASCSA)	\$1,499,733	\$1,540,932	\$41,199	2.7% ↑
ParaPro (SACC specific)	\$60,256	\$59,601	\$(655)	(1.1%) ↓
TOTAL	\$240,509,808	\$243,524,467	\$3,014,659	1.3% ↑

Totals may not sum due to rounding.

STAFFING (FTE) BY FUNCTION (BY FISCAL YEAR)

FUNCTION	June 2025 FTE	April 2026 FTE	CHANGE FTE	CHANGE % FY25 to FY26
Teachers (AAEA)	1,356	1,350	(6)	-0.4% ↓
Parapros	295	291	(4)	-1.4% ↓
Principals (AAAA)	60	59	(1)	-1.7% ↓
Office Professionals	111	112	1	0.9% ↑
Hourly	693	737	44	6.3% ↑
Directors	21	19	(2)	-9.5% ↓
Tech Services (AFSCME)	22	20	(2)	-9.1% ↓
Cabinet Administration	7	8	1	14.3% ↑
Coordinators (ASCSA)	24	23	(1)	-4.2% ↓
Non-Bargained	19	18	(1)	-5.3% ↓
ParaPro (SACC specific)	22	22	0	0.0% —
TOTAL EXCLUDING HOURLY	1,937	1,922	(15)	-0.8% ↓
TOTAL WITH HOURLY	2,630	2,659	29	1.1% ↑

Totals may not sum due to rounding.

FY 2025–26 FILLED FTE'S

CATEGORY	FILLED FTE'S
Teachers (AAEA)	1,350
Hourly	737
Parapros	291
Office Professionals (AAEA/OP)	112
Principals (AAAA)	59
Coordinators (ASCSA)	23
Tech Services (TSP)	20
Directors	19
Non-Bargained	18
Cabinet Administration	8
TOTAL FTE EMPLOYEES	2,659

As of 04.17.26



OUR PEOPLE ARE OUR GREATEST ASSET.

Investing in staff strengthens schools and transforms futures.

ANN ARBOR PUBLIC SCHOOLS

Purchased Services: Investing in Student Success & Learning Environments

FY26 Purchased Services Detail – Total \$49.2 Million

INSTRUCTIONAL SUPPORT



EduStaff – Substitute Teaching

\$6.1M | 12.4%

- ✓ Provides substitute teachers when staff are absent
- ✓ Ensures continuity of instruction and learning
- ✓ Critical to daily school operations and student success



Substitute teaching is an INSTRUCTIONAL SERVICE – not administrative.

PROGRAM & STUDENT SUPPORT



Special Education Services

\$3.5M | 7.2%



Tuition / Dual Enrollment / Cosmetology

\$3.6M | 7.3%



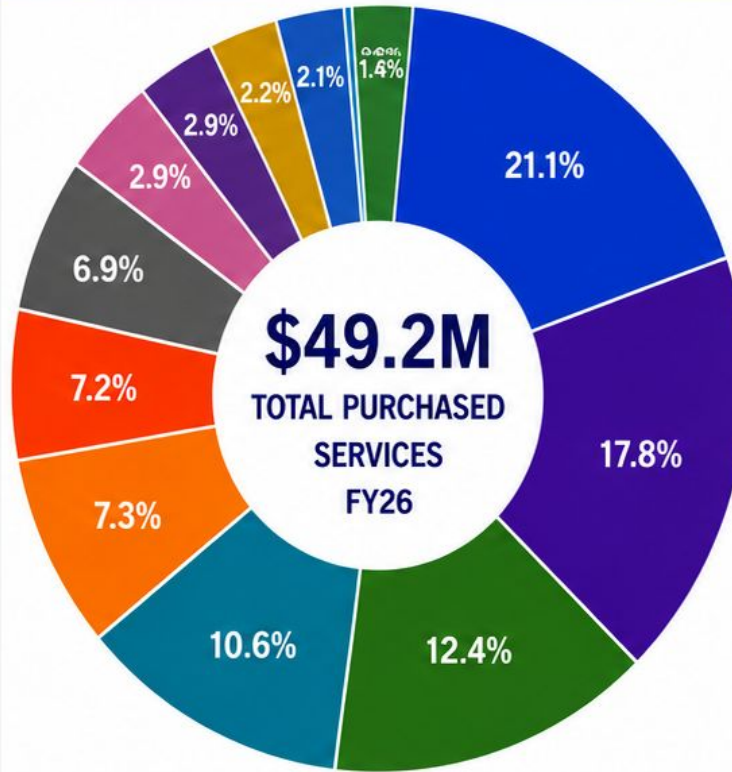
Coaches & Extracurricular Support

\$1.45M | 2.9%

FY26 PURCHASED SERVICES BY CATEGORY

Rank	Category	Amount	Percentage
1	Durham – Transportation	\$10,374,881	21.1%
2	ABM – Custodial/Maint	\$8,752,055	17.8%
3	EduStaff – Substitute Teaching	\$6,094,930	12.4%
4	Other (400 Vendors)	\$5,199,718	10.6%
5	Tuition (All Categories)	\$3,600,959	7.3%
6	Special Education	\$3,520,028	7.2%
7	Software & License	\$3,415,176	6.9%
8	Coaches & Extracurricular Support	\$1,450,376	2.9%
9	PCMI – Coaches	\$1,450,376	2.9%
10	Water / Sewer	\$1,073,927	2.2%
11	Insurance	\$1,022,502	2.1%
12	Electric	\$281,265	0.6%
13	HVAC	\$708,885	1.4%

TOTAL PURCHASED SERVICES BY CATEGORY (FY26)



KEY TAKEAWAYS



TRANSPORTATION \$10.4M (21.1%)

Largest investment ensures safe, reliable transportation for students.



CUSTODIAL/MAINTENANCE \$8.8M (17.8%)

Supports clean, safe, and healthy facilities for students and staff.



SUBSTITUTE TEACHING \$6.1M (12.4%)

Ensures instructional continuity when staff are absent.



SPECIAL EDUCATION \$3.5M (7.2%)

Critical services that support student needs and success.



OTHER (400 VENDORS) \$5.2M (10.6%)

Includes essential services that support daily operations across the district.

OPERATION & INFRASTRUCTURE SUPPORT



Software & License	\$3.42M	6.9%
PCMI – Coaches	\$1.45M	2.9%
Water / Sewer	\$1.07M	2.2%
Insurance	\$1.02M	2.1%
Electric	\$0.28M	0.6%
HVAC	\$0.71M	1.4%



ESSENTIAL. EVERY DAY. IMPACTFUL.

These purchased services are essential to delivering instruction, ensuring student access, and maintaining safe, effective learning environments.



SUPPORT INSTRUCTION

Ensure students learn and succeed every day by providing the resources our staff need.



ENSURE ACCESS

Remove barriers so students can attend, participate, and thrive.



MAINTAIN SAFE ENVIRONMENTS

Clean, well-maintained schools support health, safety, and student well-being.

Strategic investments in these services strengthen student outcomes and support the AAPS mission.

ANN ARBOR PUBLIC SCHOOLS

PURCHASED SERVICES SPENDING ANALYSIS

FY2025 ACTUAL TO FY2026 COSTS COMPARISON

Total purchased services spending is projected to increase from \$45.9M in FY2025 to \$49.2M in FY2026, a rise of \$3.2M (+7.2%).
The largest increase is in Durham (Transportation) (+\$1.3M, +14.6%).



TOTAL SPENDING COMPARISON
FY2025 Actual: \$45.9M
FY2026 Costs: \$49.2M
+\$3.2M (+7.2%)



AVERAGE ANNUAL INCREASE (OVER 1 YEAR)
+\$3.2M (+7.2%)



LARGEST VENDOR INCREASE (FY2025 TO FY2026)
Durham (Transportation)
+\$1.3M (+14.6%)



YEAR OVER YEAR SUMMARY (FY2025 TO FY2026)
↑ 9 CATEGORIES INCREASED
↓ 5 CATEGORIES DECREASED
= 0 CATEGORIES NO CHANGE

PURCHASED SERVICES SPENDING BY CATEGORY (FY2025 ACTUAL TO FY2026 COSTS COMPARISON)

RANK	CATEGORY / VENDOR	FY2025 ACTUAL	FY2026 COSTS	CHANGE (DOLLARS)	CHANGE (PERCENT)
1	Other (400 vendors)	\$3,099,936	\$5,199,718	+\$2,099,782	+67.7%
2	Durham – Transportation	\$9,054,431	\$10,374,881	+\$1,320,450	+14.6%
3	DJs – Lawn/Snow	\$1,834,000	\$2,335,052	+\$501,052	+27.3%
4	Insurance	\$923,413	\$1,022,502	+\$99,089	+10.7%
5	ABM – Custodial/Maint	\$8,064,168	\$8,752,055	+\$687,887	+8.5%
6	PCMI – Coaches	\$1,336,118	\$1,450,376	+\$114,258	+8.5%
7	Edustaff – Subs	\$5,709,213	\$6,094,930	+\$385,717	+6.8%
8	Tuition – Dual Enrollment	\$3,375,783	\$3,600,959	+\$225,176	+6.7%
9	Water / Sewer	\$1,066,881	\$1,073,927	+\$7,046	+0.7%
10	Legal	\$1,385,418	\$1,373,070	-\$12,348	-0.9%
11	Software & License	\$3,823,758	\$3,415,176	-\$408,582	-10.7%
12	HVAC	\$802,977	\$708,885	-\$94,092	-11.7%
13	Electric	\$335,979	\$281,265	-\$54,714	-16.3%
14	Special Education	\$5,133,400	\$3,520,028	-\$1,613,372	-31.4%
TOTAL		\$45,945,475	\$49,202,825	+\$3,257,350	+7.2%

Totals may not sum due to rounding.



OVERALL INCREASE DRIVEN BY KEY VENDORS: The overall increase in Purchased Services costs is largely attributed to ABM (+\$688K), DJs (+\$501K), Durham (+\$1.3M), and EduStaff (+\$386K). Together, these changes total approximately \$2.9M higher than FY2025, which makes up the overwhelming majority of the \$3.2M total Purchased Services increase.

KEY TAKEAWAYS (FY2025 TO FY2026)

- OVERALL SPENDING INCREASE**
Purchased services spending is projected to increase by \$3.2M (+7.2%), from \$45.9M in FY2025 to \$49.2M in FY2026.
- LARGEST VENDOR INCREASE**
Durham (Transportation) increases by \$1.3M (+14.6%), the largest increase among all vendors.
- TOP INCREASES**
 - Other (400 vendors): +\$2.1M (+67.7%)
 - Durham – Transportation: +\$1.3M (+14.6%)
 - DJs – Lawn/Snow: +\$0.5M (+27.3%)
- LARGEST DECREASES**
 - Special Education: -\$1.6M (-31.4%)
 - Software & License: -\$0.4M (-10.7%)
 - HVAC: -\$0.1M (-11.7%)
- NOTE: TRANSPORTATION (DURHAM) INCREASE**
The increase is primarily due to the increased number of school bus monitors (from 40 to 55), additional routes for Greenhills (state-mandated), and 3 additional special education routes.

TOTAL FY2026 COSTS: \$49,202,825

Strategic investments in services strengthen learning environments, support operations, and advance the AAPS mission.

AAPS PURCHASED SERVICES: FY26 COSTS & GRANTS OFFSET

Strategic grants help offset costs and support key services that impact student success.

PURCHASED SERVICES CATEGORY	FY26 COSTS	GRANTS OFFSET	TRUE COSTS (AFTER GRANTS)	GRANTS ATTRIBUTED TO OFFSET
ABM	\$ 8,752,055	\$ -	\$ 8,752,055	
DJs	\$ 2,335,052	\$ -	\$ 2,335,052	
Durham	\$ 10,374,881	\$ 333,000	\$ 10,041,881	<ul style="list-style-type: none"> 3403 – Preschool Transport
EduStaff	\$ 6,094,930	\$ 126,818	\$ 5,968,112	<ul style="list-style-type: none"> Title I Grant Title II Grant
Electric	\$ 281,265	\$ 200	\$ 281,065	
HVAC	\$ 708,885	\$ -	\$ 708,885	
Insurance	\$ 1,022,502	\$ -	\$ 1,022,502	
Legal	\$ 1,373,070	\$ -	\$ 1,373,070	
Other	\$ 5,199,718	\$ 1,483,808	\$ 3,715,910	<ul style="list-style-type: none"> 4451 – Grow Your Own (ARPA) SA Sec 67F – FAFSA Comp Chall Year 2
PCMI	\$ 1,450,376	\$ -	\$ 1,450,376	
Software	\$ 3,415,176	\$ 484,892	\$ 2,930,284	<ul style="list-style-type: none"> 3061 – At Risk Children (GF & Food Service) 3481 – Sec 104h Benchmark Assessment / Reduce Software Programs
Special Ed	\$ 3,520,028	\$ -	\$ 3,520,028	
Tuition	\$ 3,600,959	\$ -	\$ 3,600,959	
Water / Sewer	\$ 1,073,927	\$ -	\$ 1,073,927	
TOTAL	\$ 49,202,825	\$ 2,428,718	\$ 46,774,107	

SUMMARY

Total FY26 Purchased Services Costs

\$49,202,825

Total Grants Offset

\$2,428,718

True Costs After Grants

\$46,774,107

COSTS VS. GRANTS OFFSET



True Costs After Grants: \$46.8M (95.1%)
Grants Offset: \$2.4M (4.9%)

GRANTS THAT OFFSET PURCHASED SERVICES COSTS



3403 – PRESCHOOL TRANSPORT

State funding to help offset the cost of transporting preschool students to and from early childhood education programs.



4451 – GROW YOUR OWN (ARPA)

State ARPA-funded grant that supports "Grow Your Own" educator development by helping districts recruit, train, and retain future teachers and staff.



SA SEC 67F – FAFSA COMPLETION CHALLENGE YEAR 2

State grant to increase FAFSA completion rates among high school students through outreach, counseling, and college readiness efforts.



TITLE I GRANT

Federal funding for schools with higher percentages of economically disadvantaged students to support instruction, interventions, literacy, family engagement, and additional staffing/resources.



TITLE II GRANT

Federal funding to improve teacher and school leader effectiveness through professional development, recruitment, retention, mentoring, and instructional support.



3061 – AT RISK CHILDREN (GENERAL FUND & FOOD SERVICE)

State and federal funding to support at-risk students through instructional, behavioral, wellness, and support services, including student nutrition and intervention supports.



3481 – SECTION 104H BENCHMARK ASSESSMENT / REDUCE SOFTWARE PROGRAMS

State funding under Section 104h to support benchmark assessments, progress monitoring, and instructional improvement. Helps offset educational software and assessment programs (e.g., Securly, Edpuzzle, KnowBe4, Schoolhouse, Noteflight, Soundtrap, PearDeck, School AI, TI-84 tools, Atlas, Cengage, OverDrive SORA).

ANN ARBOR PUBLIC SCHOOLS

Supplies: Powering Learning, Operations & Student Success

FY26 Supplies Detail – Total \$12.6 Million

TEACHING & TEXTBOOK SUPPLIES



Teaching & Textbook Supplies

\$1.9M | 15.3%

- Classroom materials, textbooks, and instructional resources
- Supports high-quality teaching and student learning
- Directly impacts student achievement and engagement

★ Strong instruction starts with the right tools and resources.

ELECTRIC SUPPLIES



Electric Supplies

\$4.0M | 31.8%

- Powers lighting, HVAC, technology, and daily operations
- Keeps schools safe, comfortable, and running efficiently
- Essential for learning and operational continuity

★ Powering our schools to keep students and staff safe and successful.

FUEL SUPPLIES

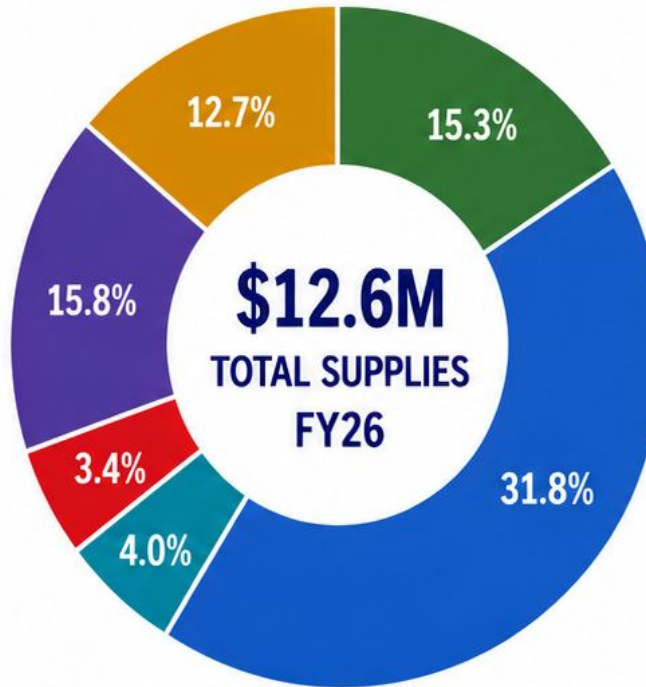


Fuel Supplies

\$0.5M | 4.0%

- Powers school buses and vehicles
- Supports safe student transportation and operations
- Keeps our schools moving forward

★ Fueling safe transportation and operations across our schools.



Teaching & Textbook Supplies (15.3%)	\$1,929,858
Electric Supplies (31.8%)	\$4,003,500
Fuel Supplies (4.0%)	\$506,120
Custodial Supplies (3.4%)	\$429,053
Other Supplies (12.7%)	\$1,598,776
Natural Gas Supplies (7.9%)	\$990,195

TOTAL \$12,617,218 100%



SUPPORT INSTRUCTION

Provides the materials and resources educators need to inspire and engage students.



ENSURE OPERATIONS

Keeps our schools clean, safe, and running smoothly every day.



PROMOTE WELL-BEING & SAFETY

Supports the physical and emotional health of our students and staff.

NATURAL GAS SUPPLIES



Natural Gas Supplies

\$1.0M | 7.9%

- Heating for classrooms and buildings
- Supports safe, comfortable learning environments
- Essential for year-round operations

★ Keeping our schools warm, safe, and comfortable.

CUSTODIAL SUPPLIES



Custodial Supplies

\$0.4M | 3.4%

- Cleaning supplies and products
- Maintains clean, healthy learning environments
- Supports safe operations for students and staff

★ Clean schools support healthy learning.

OTHER SUPPLIES



Other Supplies

\$1.6M | 12.7%

- Office, printing, art, athletics, and other general supplies
- Supports a wide range of school programs and activities
- Enables schools to meet diverse needs

★ Every supply plays a role in student success.

Strategic investments in supplies strengthen learning environments, support operations, and advance the AAPS mission.

ANN ARBOR PUBLIC SCHOOLS

SUPPLIES SPENDING ANALYSIS

FY25 ACTUAL TO FY26 COSTS COMPARISON

Total supplies spending is projected to increase from \$11.2M in FY25 to \$12.6M in FY26, an increase of \$1.4M (+12.2%).



TOTAL SUPPLIES SPENDING COMPARISON
 FY25 Actual → FY26 Costs
\$11.2M → \$12.6M
 +\$1.4M (+12.2%)



AVERAGE ANNUAL INCREASE (OVER 1 YEAR)
+\$1.4M
 (+12.2%)



LARGEST CATEGORY INCREASE
Teaching & Textbook
+\$696.3K
 (+17.0%)



YEAR OVER YEAR SUMMARY
 ↑ 5 CATEGORIES INCREASED
 ↓ 1 CATEGORY DECREASED
 — 0 CATEGORIES NO CHANGE

SUPPLIES SPENDING BY CATEGORY

CATEGORY	FY25 ACTUAL	FY26 COSTS	VARIANCE (DOLLARS)	VARIANCE (PERCENT)
Electric	\$ 3,918,622	\$ 4,003,500	\$ 84,878 ↑	+2.2%
Natural Gas	\$ 946,819	\$ 990,195	\$ 43,376 ↑	+4.6%
Fuel	\$ 438,052	\$ 506,120	\$ 68,068 ↑	+15.5%
Custodial	\$ 431,438	\$ 429,053	\$ (2,385) ↓	-0.6%
Teaching & Textbook	\$ 4,100,339	\$ 4,796,640	\$ 696,301 ↑	+17.0%
Other	\$ 1,407,066	\$ 1,891,710	\$ 484,644 ↑	+34.4%
TOTALS	\$ 11,242,336	\$ 12,617,218	\$ 1,374,882	+12.2%

Totals may not sum due to rounding.

KEY TAKEAWAYS



OVERALL INCREASE
 Total supplies costs are projected to increase by \$1.4M (+12.2%), from \$11.2M in FY25 to \$12.6M in FY26.



LARGEST CATEGORY INCREASE
 Teaching & Textbook increases by \$696.3K (+17.0%), the largest increase among all categories.



CATEGORIES INCREASING

- Other: +\$484.6K (+34.4%)
- Teaching & Textbook: +\$696.3K (+17.0%)
- Fuel: +\$68.1K (+15.5%)



CATEGORY DECREASING

- Custodial: -\$2.4K (-0.6%)



NOTE
 Increases are primarily driven by higher costs in Teaching & Textbook, Other, and Fuel.



INVESTING IN LEARNING
 Increased investment in Teaching & Textbook supports high-quality instruction and student achievement.



MAINTAINING OPERATIONS
 Strategic spending on Electric, Natural Gas, and Fuel helps ensure safe, efficient, and reliable operations.



SUPPORTING SAFE SCHOOLS
 Custodial spending remains stable, supporting clean, healthy, and welcoming learning environments.



RESPONSIBLE STEWARDSHIP
 Focused investments in priority areas reflect our commitment to responsible resource management.







Strategic investments in supplies strengthen learning environments, support operations, and advance the AAPS mission.

ANN ARBOR PUBLIC SCHOOLS

SUPPLIES COST VARIANCE ANALYSIS – FY26

VARIANCE OF FY26 COSTS COMPARED TO FY25 ACTUAL

Total supplies costs for FY26 are \$12.6M, which is \$1.4M (+12.2%) higher than FY25 actual costs.

CATEGORY	FY26 COSTS	VARIANCE FY26 TO FY25 ACTUAL (DOLLARS)	VARIANCE (PERCENT)	VARIANCE EXPLANATION
 Electric	\$ 4,003,500	↑ \$ 84,878	+2.2%	<ul style="list-style-type: none"> Increased costs
 Natural Gas	\$ 990,195	↑ \$ 43,376	+4.6%	<ul style="list-style-type: none"> Increased costs
 Fuel	\$ 506,120	↑ \$ 68,068	+15.5%	<ul style="list-style-type: none"> Increased costs for fuel
 Custodial	\$ 429,053	↓ \$ (2,385)	-0.6%	<ul style="list-style-type: none"> Slight decrease in costs
 Teaching & Textbook	\$ 4,796,640	↑ \$ 696,301	+17.0%	<ul style="list-style-type: none"> \$250k 99D grant 2872 Ameriance History \$1.5m grant 35M 2941 <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> <p>NOTE: 35M Literacy Grant (2941) – Michigan literacy funding supporting instructional materials, curriculum, and professional development aligned to the science of reading.</p> </div>
 Other	\$ 1,891,710	↑ \$ 484,644	+34.4%	<ul style="list-style-type: none"> \$292k several T&L grants \$40k Salt increase (43 occurrences) \$50k truck repairs & tires \$20k Special Ed Facilities misc supplies \$50k
TOTAL	\$ 12,617,218	↑ \$ 1,374,882	+12.2%	

KEY TAKEAWAYS



OVERALL INCREASE

Total supplies costs increased by \$1.4M (+12.2%), from \$11.2M in FY25 to \$12.6M in FY26.



TOP DRIVERS OF INCREASE

- Teaching & Textbook: +\$696.3K (+17.0%)
- Other: +\$484.6K (+34.4%)
- Fuel: +\$68.1K (+15.5%)
- Electric: +\$84.9K (+2.2%)
- Natural Gas: +\$43.4K (+4.6%)



DECREASE

- Custodial decreased slightly by \$2.4K (-0.6%).



NOTE

Increases are primarily driven by grant funding, operational needs, and cost escalations in energy, maintenance, and supplies.



TOTAL FY25 ACTUAL

\$11.2M



TOTAL FY26 COSTS

\$12.6M



TOTAL VARIANCE (DOLLARS)

\$1.4M
INCREASE



TOTAL VARIANCE (PERCENT)

+12.2%
INCREASE

Strategic investments in supplies strengthen learning environments, support operations, and advance the AAPS mission.

AAPS FINANCIAL COMPARISON

How AAPS Invests Its Funding Compared to Peer Districts

FY2025 & FY2026 Operating Expenditures by Category (% of Total Current Operating Revenue)



Lean Today.
Invest Smartly.
Deliver Excellence.

KEY TAKEAWAYS

- LOWER PERSONNEL SPENDING**
AAPS personnel spending is below peer average.
- INSTRUCTIONAL SPENDING IN LINE WITH PEERS**
Instructional spending closely mirrors peer average.
- PUPIL SUPPORT ABOVE PEER AVERAGE**
AAPS places a higher emphasis on student and family support.
- O&M SPENDING TRAILS MOST PEERS**
Lower O&M investment may indicate deferred maintenance pressures.
- OPPORTUNITY TO REFOCUS INVESTMENTS**
Potential opportunity to redirect lower personnel allocation toward a competitive compensation strategy.
- COMPARATIVELY LEAN OPERATIONALLY**
Overall spending profile shows AAPS is lean across most operational areas.

AAPS VS. PEER DISTRICTS (% OF TOTAL OPERATING REVENUE)										
CATEGORY	AAPS FY2025	AAPS FY2026	PEER AVERAGE	NORTHVILLE PS	SALINE AREA SCHOOLS	DEXTER CSD	PLYMOUTH-CANTON COMMUNITY SCHOOLS	WAYNE-WESTLAND CSD	LIVONIA PUBLIC SCHOOLS	
Personnel Expenditures	76.0%	78.3%	82.5%	79.6%	79.7%	86.2%	83.0%	84.6%	88.4%	
Instructional Expenditures (1xx, 293)	58.3%	59.2%	58.6%	64.1%	56.0%	58.1%	58.5%	55.3%	60.2%	
Pupil Support Services (21x)	10.9%	12.2%	9.4%	7.3%	11.2%	11.0%	9.2%	9.0%	6.9%	
Instructional Staff Support Services (22x)	4.6%	4.5%	5.7%	4.8%	4.1%	6.1%	8.2%	7.0%	5.4%	
General Administration (23x)	1.2%	1.2%	1.1%	0.9%	0.9%	1.8%	0.7%	1.5%	0.5%	
School Administration (24x)	5.3%	5.5%	5.3%	5.1%	5.1%	5.1%	6.0%	5.0%	5.7%	
Business Services (25x)	1.01%	0.9%	1.1%	1.06%	1.3%	1.3%	0.9%	0.9%	0.9%	
Operations & Maintenance (26x)	7.35%	7.7%	9.3%	8.78%	8.2%	9.3%	9.3%	10.6%	11.2%	
Transportation (27x)	3.3%	4.5%	4.0%	3.6%	2.8%	3.4%	5.2%	5.0%	4.5%	
Central & Other Support Services (28x, 291, 292, 295, 296, 298, 299)	3.0%	2.7%	2.6%	3.0%	2.5%	1.0%	2.4%	3.4%	2.9%	
TOTAL CURRENT OPERATING EXPENDITURES	95.0%	98.4%	97.0%	98.4%	92.1%	97.3%	100.3%	97.8%	98.3%	

STRATEGIC IMPACT: Reallocating resources strategically can strengthen teacher retention, preserve programs, and address facility needs while maintaining fiscal responsibility.

ESTIMATED STUDENT LOSS
Change in FTE Students (FY2025 to FY2026)
- 196 Students

FOCUS AREAS:

- Compensation Strategy
- Facility & Infrastructure
- Student Support
- Academic Excellence

School Funds: What Goes In and What Comes Out



General Fund

WHAT GOES IN

- Local non-homestead property taxes
- State School Aid Fund
- State Grants
- Federal Grants
- Local non-tax sources
- Local Grants

WHAT COMES OUT

- Teacher and staff salaries and benefits
- Instructional materials and supplies
- Utilities and operations
- Transportation
- Other day-to-day school expenses



Sinking Fund

WHAT GOES IN

- Local voter-approved sinking fund millage
- Interest earnings
- Local Grants

WHAT COMES OUT

- Eligible building repairs and modernization
- Site improvements
- Safety & security
- Transportation & vehicles
- Property acquisition



Debt Fund

WHAT GOES IN

- Voter-approved property taxes used to repay long-term debt (principal and interest)
- Local Grants

WHAT COMES OUT

- Debt service payments (principal and interest) on bonds/debt



Bond/Capital Projects Fund

WHAT GOES IN

- Bond proceeds
- Local non-tax sources
- Interest earnings
- Proceeds from sale of property
- Local Grants

WHAT COMES OUT

- Construction projects
- Renovations and improvements
- Land acquisition
- Equipment related to construction projects
- Architectural and engineering fees
- Other costs directly related to capital projects



Food Service Fund

WHAT GOES IN

- Student meal payments
- Federal reimbursements
- State reimbursements
- USDA commodities
- Other food service revenue
- Local Grants

WHAT COMES OUT

- Food and supplies
- Staff salaries and benefits
- Kitchen equipment and repairs
- Other food service operations
- Supplies and materials



Student & School Activity Fund

WHAT GOES IN

- Donations
- Fundraising
- Local grants
- Interest earnings
- Rentals
- Local Grants

WHAT COMES OUT

- Club expenses
- Competition costs
- Program supplies and materials
- Other approved student programs



Community Services Fund

WHAT GOES IN

- Program fees
- Community rentals
- Donations
- Grants
- Interest earnings
- Other local sources
- Local Grants

WHAT COMES OUT

- Program expenses
- Equipment and supplies
- Facility use costs
- Other program operations



Each fund has a specific purpose. Money goes in from approved sources and is used for allowed expenses. **By law, money in one fund cannot be used for expenses in another fund.**



Food Service Fund, Student & School Activity Fund, and Community Services Fund are self-sustaining and do not receive General Fund tax dollars.

AAPS FOOD SERVICE FUND: FY2025 vs. FY2026

2025–2026 Proposed Final Food Service Fund Budget

TOTAL REVENUE

FY2025 **\$8.93M**  FY2026 **\$8.63M**

DECREASE OF \$298,230 (-3.3%)

TOTAL EXPENDITURES

FY2025 **\$8.60M**  FY2026 **\$8.74M**

INCREASE OF \$135,989 (+1.6%)




REVENUE OVER (UNDER) EXPENDITURES

FY2025 **\$330,250**  FY2026 **(\$103,969)**

DECREASE OF \$434,219

SUMMARY	FY2025	FY2026	CHANGE	
			\$	%
 Total Revenue	\$8,932,315	\$8,634,085	\$(298,230)	-3.3% ↓
 Total Expenditures	\$8,602,065	\$8,738,054	\$135,989	+1.6% ↑
 Revenue Over (Under) Expenditures	\$330,250	\$(103,969)	\$(434,219)	-131.5% ↓
 Fund Balance – Beginning of Year	\$946,272	\$842,303	\$(103,969)	-11.0% ↓

KEY TAKEAWAYS

-  Total Revenue decreases by \$298,230 (-3.3%) due to lower federal sources and local sales.
-  Total Expenditures increase by \$135,989 (+1.6%) due to higher food service costs and increased support services.
-  Revenue falls below expenditures by \$103,969 in FY2026, resulting in a decrease to the fund balance.

FUND BALANCE & RATIOS

MEASURE	FY2025	FY2026	CHANGE
Fund Balance – End of Year	\$1,138,581	\$842,303	\$(304,349) -26.8% ↓
RATIOS	FY2025	FY2026	CHANGE (Percentage Points)
Fund Balance as a % of Revenue	10.59%	9.76%	-0.83 pp ↓
Fund Balance as a % of Expenditures	11.00%	9.64%	-1.36 pp ↓

Note: Variance amounts may not sum due to rounding.

AAPS STUDENT & SCHOOL ACTIVITIES FUND: FY2025 vs. FY2026

2025–2026 Proposed Final Student & School Activities Fund Budget

TOTAL REVENUE

FY2025  FY2026

\$1.46M **\$0.99M**

DECREASE OF \$470,015 (-32.2%)

TOTAL EXPENDITURES

FY2025  FY2026

\$1.34M **\$0.99M**





DECREASE OF \$346,650 (-25.9%)

REVENUE OVER (UNDER) EXPENDITURES




FY2025  FY2026

\$123,365 **\$0**

DECREASE OF \$123,365

SUMMARY	FY2025	FY2026	CHANGE	
			\$	%
 Total Revenue	\$1,459,473	\$989,458	\$(470,015)	-32.2% ↓
 Total Expenditures	\$1,336,108	\$989,458	\$(346,650)	-25.9% ↓
 Revenue Over (Under) Expenditures	\$123,365	\$-	\$(123,365)	-100.0% ↓
 Fund Balance – Beginning of Year	\$1,425,015	\$1,425,015	\$-	—

KEY TAKEAWAYS

-  Total Revenue decreases by \$470,015 (-32.2%) due to lower federal sources and local sales.
-  Total Expenditures decrease by \$346,650 (-25.9%) consistent with decreased school and student activities programs.
-  The fund remains in balance with no change in fund balance.

FUND BALANCE & RATIOS

MEASURE	FY2025	FY2026	CHANGE
Fund Balance – End of Year	\$1,425,015	\$1,425,015	\$- —
RATIOS	FY2025	FY2026	CHANGE (Percentage Points)
Fund Balance as a % of Revenue	97.64%	144.02%	+46.38 pp ↑
Fund Balance as a % of Expenditures	106.65%	144.02%	+37.37 pp ↑

Note: Variance amounts may not sum due to rounding.

AAPS COMMUNITY SERVICE FUND: FY2025 vs. FY2026

2025–2026 Proposed Final Community Service Fund Budget

TOTAL REVENUE

FY2025 **\$5.5M**  FY2026 **\$6.0M**

INCREASE OF \$505,240 (+9.1%)

TOTAL EXPENDITURES








FY2025 **\$5.6M**  FY2026 **\$5.4M**

DECREASE OF \$207,255 (-3.7%)

REVENUE OVER (UNDER) EXPENDITURES

FY2025 **\$(111,062)**  FY2026 **\$601,433**




INCREASE OF \$712,495

SUMMARY	FY2025	FY2026	CHANGE	
			\$	%
 Total Revenue	\$5,521,518	\$6,026,758	\$505,240	+9.1% 
 Total Expenditures	\$5,632,580	\$5,425,325	\$(207,255)	-3.7% 
 Revenue Over (Under) Expenditures	\$(111,062)	\$601,433	\$712,495	—
 Fund Balance – Beginning of Year	\$657,038	\$1,258,471	\$601,433	+91.5% 

KEY TAKEAWAYS

-  Total Revenue increases by \$505,240 (+9.1%) due to higher local sources.
-  Total Expenditures decrease by \$207,255 (-3.7%).
-  Revenue exceeds expenditures by \$601,433 in FY2026, resulting in an increase to the fund balance.
-  Fund Balance increases by \$601,433 (+91.5%) from \$657,038 to \$1,258,471.

FUND BALANCE & RATIOS

MEASURE	FY2025	FY2026	CHANGE
Fund Balance – End of Year	\$657,038	\$1,258,471	+\$601,433 
RATIOS	FY2025	FY2026	CHANGE (Percentage Points)
Fund Balance as a % of Revenue	11.90%	20.88%	+8.98 pp 
Fund Balance as a % of Expenditures	11.66%	23.20%	+11.54 pp 

Note: Variance amounts may not sum due to rounding.

ANN ARBOR PUBLIC SCHOOLS
LEAD. CARE. INSPIRE.



FY2026-27 PROPOSED BUDGET

Investing Today. Preparing for Tomorrow.
Building a Strong Foundation for Student Success



STUDENTS
First



FISCAL
Responsibility



COMMUNITY
Partnership



INNOVATION
& Opportunity



SUSTAINABILITY
for the Future



A Plan for Progress
Thoughtful planning.
Responsible budgeting.
Stronger schools.
Brighter futures.

FY2027 BUDGET – TRADITIONAL VIEW

FY2027 BUDGET

A traditional view of the FY2027 Proposed Original Budget showing revenues, expenditures, and fund balance.

	2026-2027 Proposed Original Budget June 17, 2026
Revenue	
Local sources	\$ 121,982,441
State sources	143,104,865
Federal sources	9,237,913
Interdistrict sources	38,447,058
Total Revenue	\$ 312,772,277
Expenditures	
Instructional Services	
Basic Programs (111x)	\$ 138,369,700
Added Needs (112x)	46,064,488
Adult & Continuing Education (113x)	312,596
Total Instructional Services	<u>\$ 184,746,784</u>
Instructional Support Services	
Pupil (121x)	\$ 38,478,765
Instructional Staff (122x)	14,360,251
School Administration (124x)	17,312,733
Athletics (129x)	4,858,061
Total Instructional Support Services	<u>\$ 75,009,810</u>
Non-Instructional Support Services	
General Administration (123x)	\$ 3,761,268
Business Services (125x)	3,245,857
Operations & Maintenance (126x)	23,909,253
Transportation (127x)	16,101,737
Central (128x)	8,630,185
Total Non-Instructional Support Services	<u>\$ 55,648,300</u>
Community Activities	\$ 1,236,988
Other Financing Sources/Uses	\$ 395,512
Total Expenditures	\$ 317,037,394
Revenue Over (Under) Expenditures	\$ (4,265,117)
Fund Balance - Beginning of Year	\$ 20,290,110
Fund Balance - End of Year	\$ 16,024,993
Fund Balance as a Percent of Revenues	5.12%
Fund Balance as a Percent of Expenditures	5.05%

FY2026-27 PROPOSED BUDGET KEY ASSUMPTIONS

Building a Strong Foundation for Student Success



REVENUE ASSUMPTIONS

- 1 \$250 Foundation Allowance
- 2 175 student loss
- 3 Approximately \$2.4M in Categorical State Funding loss



PAYROLL ASSUMPTIONS

- 1 Increase for all educators and staff
- 2 Staff reduction through attrition and rightsizing to enrollment
- 3 Healthcare increase
- 4 Steps for educators



NON-PAYROLL ASSUMPTIONS

- 1 Major service contracts budgeted at current negotiated rates
- 2 1.5% Increase across all other vendors



IMPORTANT NOTE:

These assumptions are subject to change based on final state funding levels and the outcomes of labor negotiations. We remain committed to working collaboratively and respectfully with our educators and staff to support students and our school community.



Thoughtful planning. Responsible budgeting. Stronger schools. Brighter futures.

FY27 PROPOSED BUDGET

2026–2027 | Budget Overview



Investing in Students.
Building Our Future.



TOTAL REVENUE
\$312,772,277



TOTAL EXPENDITURES
\$317,037,394



REVENUE OVER (UNDER) EXPENDITURES
\$(4,265,117)

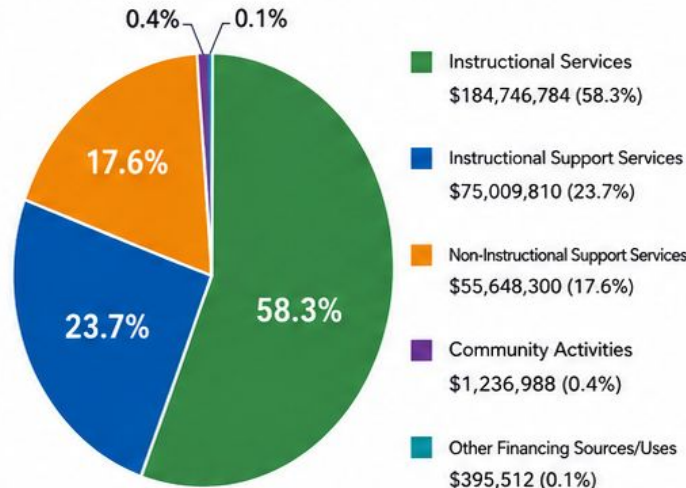


ENDING FUND BALANCE
\$16,024,993
5.12% of Revenues

REVENUE HIGHLIGHTS

Local sources	\$121,982,441
State sources	\$143,104,865
Federal sources	\$9,237,913
Interdistrict sources	\$38,447,058
TOTAL REVENUE	\$312,772,277

EXPENDITURES BY FUNCTION



FY27 PROPOSED BUDGET SUMMARY

REVENUE	AMOUNT
Local sources	\$ 121,982,441
State sources	143,104,865
Federal sources	9,237,913
Interdistrict sources	38,447,058
TOTAL REVENUE	\$ 312,772,277

EXPENDITURES	AMOUNT
Instructional Services	\$ 184,746,784
Instructional Support Services	75,009,810
Non-Instructional Support Services	55,648,300
Community Activities	1,236,988
Other Financing Sources/Uses	395,512
TOTAL EXPENDITURES	\$ 317,037,394

REVENUE OVER (UNDER) EXPENDITURES **\$(4,265,117)**

FUND BALANCE - BEGINNING OF YEAR **\$ 20,290,110**

FUND BALANCE - END OF YEAR **\$ 16,024,993**

EXPENDITURES HIGHLIGHTS

Instructional Services	\$184,746,784
Instructional Support Services	\$75,009,810
Non-Instructional Support Services	\$55,648,300
Community Activities	\$1,236,988
Other Financing Sources/Uses	\$395,512
TOTAL EXPENDITURES	\$317,037,394



The FY27 Proposed Budget reflects our commitment to academic excellence, student well-being, and responsible stewardship of resources.



Fund Balance as a Percent of Revenues
5.12%

HOW AAPS ESTIMATES STATE FUNDING

We compare bills from the branches of government and determine what is most likely to occur.

FOUNDATION/CATEGORICAL	GOVERNOR	HOUSE	SENATE	AAPS BUDGET (FY27)	WHERE IS THERE CONSENSUS? Appears on More Than One Branch Bill
Foundation Allowance (Various) Increase	\$ 2,048,637	\$ 2,048,637	\$ 2,048,637	\$ 2,048,637	✓ Consensus (All 3)
22b(3) Per-Pupil Payment	\$ -	\$ -	\$ -	\$ -	⊖ Not Included in Any Bill
22b(3) Penalty (20% DEL)	\$ -	\$ (1,768,810)	\$ -	\$ -	✗ Included in House Only
22l District Transportation	\$ -	\$ -	\$ 255,454	\$ -	✗ Included in Senate Only
27L(4) MPSERS Healthcare Offset	\$ (2,076,462)	\$ (2,076,462)	\$ (2,076,462)	\$ (2,076,462)	✓ Consensus (All 3)
29(6) Enrollment Stabilization	\$ 464,570	\$ -	\$ (610,823)	\$ -	✗ Included in Governor & Senate Only
31a At-Risk	\$ 454,405	\$ 373,234	\$ 1,869,553	\$ 373,234	✓ Consensus (All 3) – Using House Amount
31aa Mental Health	\$ -	\$ -	\$ -	\$ -	⊖ Not Included in Any Bill
32d GSRP	\$ 340,319	\$ 341,182	\$ 340,319	\$ 340,319	✓ Consensus (All 3)
32 Music Education Program	\$ -	\$ -	\$ -	\$ -	⊖ Not Included in Any Bill
35a(5) Early Lit	\$ -	\$ -	\$ -	\$ -	⊖ Not Included in Any Bill
35j Literacy PD	\$ -	\$ -	\$ -	\$ -	⊖ Not Included in Any Bill
41 Bilingual	\$ 58,044	\$ 47,912	\$ 239,813	\$ 47,912	✓ Included in All 3 – Using House Amount
61a(1) Voc Ed	\$ 29,795	\$ 24,869	\$ 29,795	\$ -	✓ Consensus (All 3) – Not Included in Budget
61d CTE	\$ (252,856)	\$ (252,856)	\$ (252,856)	\$ (252,856)	✓ Consensus (All 3)
99h First Robotics	\$ -	\$ -	\$ 8,898	\$ -	✗ Included in Senate Only
104h Benchmark Assessments	\$ 30,077	\$ 30,077	\$ 30,077	\$ 30,077	✓ Consensus (All 3)
147a(2) MPSERS Normal Cost Offset	\$ (1,136,878)	\$ (1,136,878)	\$ (1,136,878)	\$ (1,136,878)	✓ Consensus (All 3)
147a(4) MPSERS Cost Offset - UAAL	\$ -	\$ -	\$ -	\$ -	⊖ Not Included in Any Bill
147e MPSERS DC	\$ 113,672	\$ 113,672	\$ 113,672	\$ 113,672	✓ Consensus (All 3)
147C(1) UAAL	\$ -	\$ -	\$ -	\$ -	⊖ Not Included in Any Bill
152a Headlee	\$ -	\$ -	\$ -	\$ -	⊖ Not Included in Any Bill
Increase (Decrease) from FY 2026 State Aid	\$ 73,324	\$ (2,255,422)	\$ 859,200	\$ (512,345)	These differences reflect the uncertainty in state funding and why careful planning is essential.



OUR GOAL: Use the most likely funding scenario based on consensus and historical trends to build a responsible budget that supports our students and protects our programs.

- ✓ Consensus (Appears on 2 or 3 bills)
- ✗ Not Included (Appears on 1 or 0 bills)
- ⊖ Partial Consensus (Appears on 2 bills only)
- ⊖ Not Included in Any Bill

FY27 OVERALL IMPACT TO STATE FUNDING

IMPACTING ANN ARBOR PUBLIC SCHOOLS

Reductions in State categorical funding will directly impact programs and services that support student success.

OVERALL IMPACT TO AAPS (FY27)

(\$2,398,065)

Net categorical loss after offsets and other state revenue impacts

! OUR CATEGORICAL REVENUE FROM THE STATE ENDS IN A LOSS.

This loss will directly reduce resources available for programs and services our students rely on.

FOUNDATION/CATEGORICAL REVENUE	AAPS BUDGET (FY27)
Foundation Allowance (Various) Increase	\$ 2,048,637
Bus Grant	\$ 1,986,298
31a At-Risk	\$ 373,234
32d GSRP	\$ 340,319
147e MPSERS DC	\$ 113,672
41 Bilingual	\$ 47,912
104h Benchmark Assessments	\$ 30,077
Other	\$ (15,042)
61d CTE	\$ (252,856)
35J Early Literacy / Reading Support	\$ (271,000)
33 Music	\$ (350,000)
67 FAFSA	\$ (800,000)
147a(2) MPSERS Normal Cost Offset	\$ (1,136,878)
27L(4) MPSERS Healthcare Offset	\$ (2,076,462)
27L(2) Educator Compensation	\$ (2,435,976)
NET CATEGORICAL IMPACT TO AAPS (FY27)	\$ (2,398,065)



TOTAL POSITIVE CATEGORICAL REVENUE

\$ 4,939,149



TOTAL NEGATIVE CATEGORICAL IMPACTS

\$ (7,337,214)



NET CATEGORICAL IMPACT TO AAPS (FY27)

\$ (2,398,065)

WHAT THIS MEANS FOR AAPS



Key programs and services tied to these categorical funds may be reduced or eliminated.



Student supports in academics, safety, enrichment, and well-being could be impacted.



AAPS will continue thoughtful planning, responsible budgeting, and advocacy to protect opportunities for every student.



OUR FOCUS. OUR RESPONSIBILITY. OUR STUDENTS.

We remain committed to maximizing resources and minimizing impact so every student can thrive.



We will continue to advocate for fair and adequate funding for Ann Arbor Public Schools.





REVENUE TREND ANALYSIS: FY26 vs. FY27



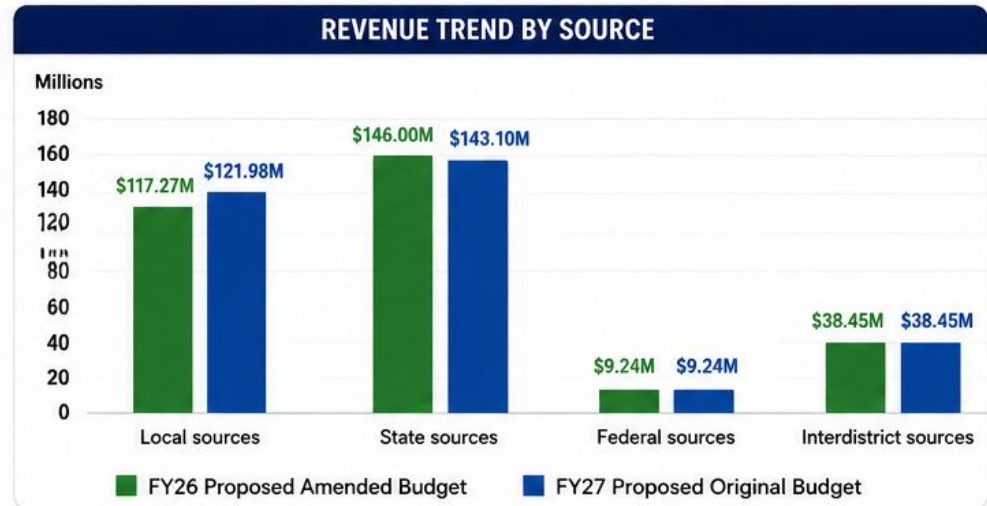
Investing in Students.
Building Our Future.

Detailed Comparison of 2025–2026 Proposed Amended Budget vs. 2026–2027 Proposed Original Budget





June 17, 2026

 TOTAL REVENUE \$310,960,564 FY26 PROPOSED AMENDED \$312,772,277 FY27 PROPOSED ORIGINAL ↑ \$1,811,713 (+0.58%)	 LOCAL SOURCES \$117,272,716 FY26 \$121,982,441 FY27 ↑ \$4,709,725 (+4.02%)	 STATE SOURCES \$146,002,877 FY26 \$143,104,865 FY27 ↓ (\$2,898,012) (-1.98%)	 FEDERAL & INTERDISTRICT SOURCES \$47,684,971 FY26 \$47,684,971 FY27 — \$0 (0.00%)	KEY HIGHLIGHT Overall revenue increases by \$1.81 million (+0.58%) primarily driven by higher local sources, partially offset by a decline in state categorical support.
--	--	---	---	--


REVENUE COMPARISON BY SOURCE				
REVENUE SOURCE	FY26 PROPOSED AMENDED (June 17, 2026)	FY27 PROPOSED ORIGINAL (June 17, 2026)	CHANGE	
			\$	% CHANGE
Local sources	\$117,272,716	\$121,982,441	\$4,709,725	+4.02%
State sources	\$146,002,877	\$143,104,865	(\$2,898,012)	-1.98%
Federal sources	\$9,237,913	\$9,237,913	\$0	0.00%
Interdistrict sources	\$38,447,058	\$38,447,058	\$0	0.00%
TOTAL REVENUE	\$310,960,564	\$312,772,277	\$1,811,713	+0.58%



DRIVER ANALYSIS BY SOURCE

 LOCAL SOURCES UP \$4.71 MILLION (+4.02%) Increase is primarily due to higher local support based on student enrollment projections and increased activity revenues.	 STATE SOURCES DOWN \$2.90 MILLION (-1.98%) Decrease is due to a decline in state categorical support, partially offset by higher foundation aid.	 FEDERAL SOURCES NO CHANGE (0.00%) Federal funding remains consistent with the prior year.	 INTERDISTRICT SOURCES NO CHANGE (0.00%) Interdistrict revenues are steady with no expected change.
---	---	--	--

OVERALL IMPACT


 Total revenue is projected to increase by \$1.81 million (+0.58%) from FY26 to FY27.

- The increase in local sources reflects strong community support and enrollment-driven growth.
- The decline in state categorical support highlights continued pressure on state-funded programs.

EXPENDITURE ANALYSIS: FY2026 vs. FY227

Detailed Comparison of 2025–2026 Proposed Amended Budget vs. 2026–2027 Proposed Original

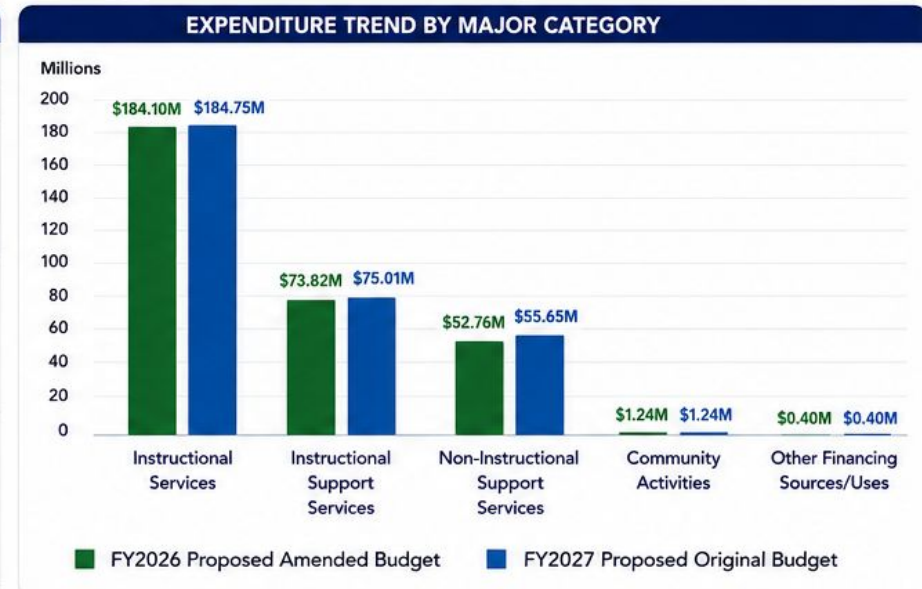
June 17, 2026



Investing in Students.
Building Our Future.

<p>TOTAL EXPENDITURES FY2026 PROPOSED AMENDED \$312,313,193 FY2027 PROPOSED ORIGINAL \$317,037,394 ↑ \$4,724,201 (+1.51%)</p>	<p>INSTRUCTIONAL SERVICES \$184,100,967 \$184,746,784 ↑ \$645,817 (+0.35%)</p>	<p>INSTRUCTIONAL SUPPORT SERVICES \$73,818,493 \$75,009,810 ↑ \$1,191,317 (+1.61%)</p>	<p>NON-INSTRUCTIONAL SUPPORT SERVICES \$52,761,592 \$55,648,300 ↑ \$2,886,708 (+5.47%)</p>	<p>OTHER (COMMUNITY ACTIVITIES & OTHER FINANCING) \$1,632,141 \$1,632,500 ↑ \$359 (+0.02%)</p>
--	---	---	---	---

EXPENDITURES COMPARISON BY CATEGORY				
EXPENDITURE CATEGORY	FY2026 PROPOSED AMENDED (June 17, 2026)	FY2027 PROPOSED ORIGINAL (June 17, 2026)	CHANGE	
			\$	% CHANGE
INSTRUCTIONAL SERVICES				
Basic Programs (111x)	\$139,249,350	\$138,369,700	(\$879,650)	-0.63%
Added Needs (112x)	\$44,541,408	\$46,064,488	\$1,523,080	+3.42%
Adult & Continuing Education (113x)	\$310,209	\$312,596	\$2,387	+0.77%
Total Instructional Services	\$184,100,967	\$184,746,784	\$645,817	+0.35%
INSTRUCTIONAL SUPPORT SERVICES				
Pupil (121x)	\$37,865,671	\$38,478,765	\$613,094	+1.62%
Instructional Staff (122x)	\$14,110,983	\$14,360,251	\$249,268	+1.77%
School Administration (124x)	\$17,021,098	\$17,312,733	\$291,635	+1.71%
Athletics (129x)	\$4,820,741	\$4,858,061	\$37,320	+0.77%
Total Instructional Support Services	\$73,818,493	\$75,009,810	\$1,191,317	+1.61%
NON-INSTRUCTIONAL SUPPORT SERVICES				
General Administration (123x)	\$3,659,601	\$3,761,268	\$101,667	+2.78%
Business Services (125x)	\$2,884,123	\$3,245,857	\$361,734	+12.54%
Operations & Maintenance (126x)	\$23,847,973	\$23,909,253	\$61,280	+0.26%
Transportation (127x)	\$13,962,128	\$16,101,737	\$2,139,609	+15.33%
Central (128x)	\$8,407,767	\$8,630,185	\$222,418	+2.65%
Total Non-Instructional Support Services	\$52,761,592	\$55,648,300	\$2,886,708	+5.47%
COMMUNITY ACTIVITIES	\$1,236,629	\$1,236,988	\$359	+0.03%
OTHER FINANCING SOURCES/USES	\$395,512	\$395,512	\$0	+0.00%
TOTAL EXPENDITURES	\$312,313,193	\$317,037,394	\$4,724,201	+1.51%



DRIVERS OF CHANGE BY CATEGORY

<p>INSTRUCTIONAL SERVICES Slight increase driven by higher funding for Added Needs and continued investment in adult education programs.</p>	<p>INSTRUCTIONAL SUPPORT SERVICES Increase reflects ongoing support for students and staff, including pupil services and school administration.</p>	<p>NON-INSTRUCTIONAL SUPPORT SERVICES Increase primarily due to higher Transportation costs for the purchase of electric buses, which are grant supported.</p>	<p>OTHER (COMMUNITY ACTIVITIES & OTHER FINANCING) Remains level with minimal changes from prior year.</p>
---	--	---	--





KEY TAKEAWAYS

- ↑ Total expenditures are projected to increase by \$4.72 million (+1.51%) from FY2026 to FY2027.
- Investments continue in people, programs, and operations to support student success.
- 🚌 The increase in Transportation is for the purchase of electric buses, which are grant supported and will reduce long-term operating costs and support sustainability goals.

FY26 vs. PROPOSED FY27 BUDGET

2025–2026 Proposed Amended Budget vs. 2026–2027 Proposed Original Budget

June 17, 2026

BUDGET CATEGORY	2025–2026 PROPOSED AMENDED BUDGET	2026–2027 PROPOSED ORIGINAL BUDGET	VARIANCE 2025–2026 vs 2026–2027	% CHANGE
 REVENUE Total Revenue	\$310,960,564	\$312,772,277	\$1,811,713	+0.58%
 EXPENDITURES				
Instructional Services	\$184,100,967	\$184,746,784	\$645,817	+0.35%
Instructional Support Services	\$73,818,493	\$75,009,810	\$1,191,317	+1.61%
Non-Instructional Support Services	\$52,761,592	\$55,648,300	\$2,886,708	+5.47%
Community Activities	\$1,236,629	\$1,236,988	\$359	+0.03%
Other Financing Sources/Uses	\$395,512	\$395,512	\$0	0.00%
TOTAL EXPENDITURES	\$312,313,193	\$317,037,394	\$4,724,201	+1.51%
 REVENUE OVER (UNDER) EXPENDITURES	\$(1,352,629)	\$(4,265,117)	\$(2,912,488)	+215.43%
 ENDING FUND BALANCE	\$20,290,110	\$16,024,993	\$(4,265,117)	-20.98%

Note: Negative amounts are shown in parentheses.

KEY TAKEAWAYS



Revenue increases by \$1.8 million (+0.58%) primarily from local sources.



Expenditures increase by \$4.7 million (+1.51%) driven by increases in Non-Instructional Support Services and Instructional Support Services.



Ending fund balance decreases by \$4.3 million (-21.0%) to \$16.0 million.

KEY ASSUMPTIONS DRIVING EXPENDITURE INCREASES



HEALTH CARE COSTS

Higher medical, dental, and benefit costs



EDUCATOR AND STAFF INCREASES

Increases to wages and benefits including educator steps



CONTRACTED SERVICE INCREASES

Higher costs for essential contracted services



VENDOR PRICE INCREASES

Inflationary increases across approved vendors



FUEL & TRANSPORTATION COSTS

Increased fuel prices and transportation expenses



2027 Analysis for Fund Balance Percentage

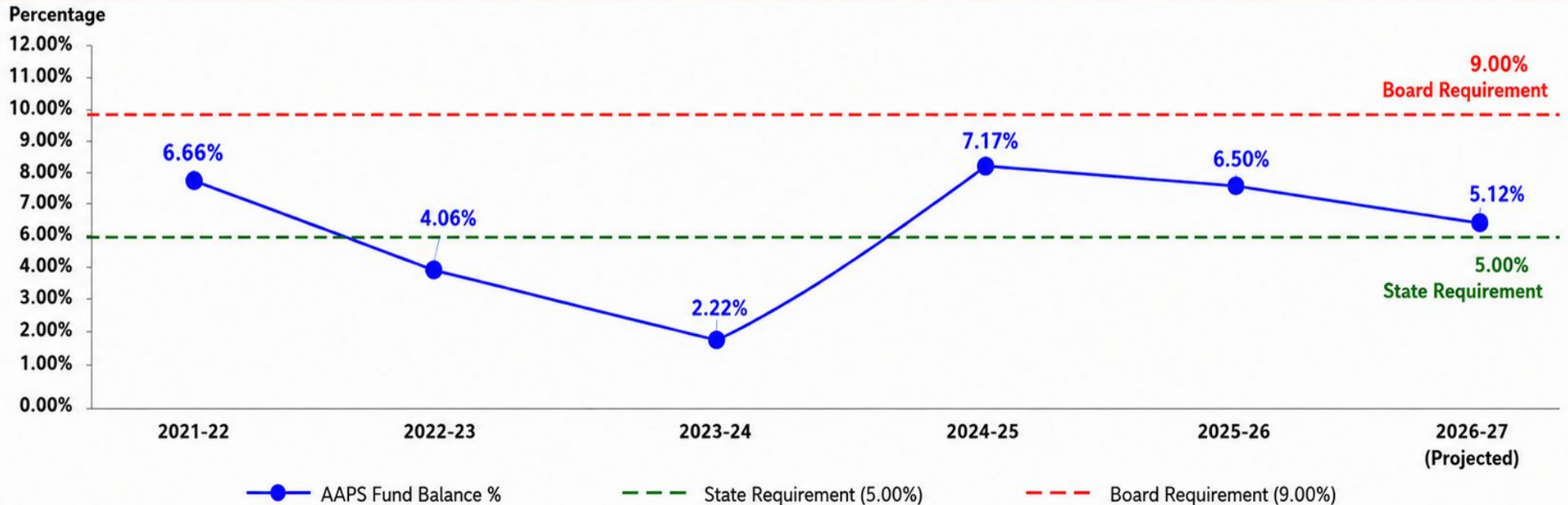


FUND BALANCE DECLINING – ACTION NEEDED.

AAPS has not exceeded the **5.00%** state requirement in 2 of the last 5 fiscal years.

The last three fiscal years (FY2024-25, FY2025-26, and projected FY2026-27) are above the **5.00%** state requirement but remain below the Board requirement of **9.00%**.

Fund Balance Percentage Trend (6-Year)



FY2026-27 is projected to be 0.12 percentage points above the state requirement—continued monitoring and action are critical.

AAPS FINANCIAL COMPARISON




How AAPS Invests Its Funding Compared to Peer Districts











FY2025 & FY2026 Operating Expenditures by Category (% of Total Current Operating Revenue)




Lean Today.
Invest Smartly.
Deliver Excellence.

KEY TAKEAWAYS

- 
LOWER PERSONNEL SPENDING
 AAPS personnel spending is below peer average.
- 
INSTRUCTIONAL SPENDING IN LINE WITH PEERS
 Instructional spending closely mirrors peer average.
- 
PUPIL SUPPORT ABOVE PEER AVERAGE
 AAPS places a higher emphasis on student and family support.
- 
O&M SPENDING TRAILS MOST PEERS
 Lower O&M investment may indicate deferred maintenance pressures.
- 
OPPORTUNITY TO REFOCUS INVESTMENTS
 Potential opportunity to redirect lower personnel allocation toward a competitive compensation strategy.
- 
COMPARATIVELY LEAN OPERATIONALLY
 Overall spending profile shows AAPS is lean across most operational areas.

AAPS VS. PEER DISTRICTS (% OF TOTAL OPERATING REVENUE)												
CATEGORY	AAPS FY2025	AAPS FY2026	AAPS FY2027 PROPOSED	PEER AVERAGE	NORTHVILLE PS	SALINE AREA SCHOOLS	DEXTER CSD	PLYMOUTH-CANTON COMMUNITY SCHOOLS	WAYNE-WESTLAND CSD	LIVONIA PUBLIC SCHOOLS	AAPS FY2027 PROPOSED % OF REVENUE	
 Personnel Expenditures	76.0%	78.3%	77.9%	82.5%	79.6%	79.7%	86.2%	83.0%	84.6%	88.4%	77.9%	
 Instructional Expenditures (1xx, 293)	58.3%	59.2%	59.1%	58.6%	64.1%	56.0%	58.1%	58.5%	55.3%	60.2%	59.1%	
 Pupil Support Services (21x)	10.9%	12.2%	12.3%	9.4%	7.3%	11.2%	11.0%	9.2%	9.0%	6.9%	12.3%	
 Instructional Staff Support Services (22x)	4.6%	4.5%	4.6%	5.7%	4.8%	4.1%	6.1%	8.2%	7.0%	5.4%	4.6%	
 General Administration (23x)	1.2%	1.2%	1.2%	1.1%	0.9%	0.9%	1.8%	0.7%	1.5%	0.5%	1.2%	
 School Administration (24x)	5.3%	5.5%	5.5%	5.3%	5.1%	5.1%	5.1%	6.0%	5.0%	5.7%	5.5%	
 Business Services (25x)	1.01%	0.9%	1.0%	1.1%	1.06%	1.3%	1.3%	0.9%	0.9%	0.9%	1.0%	
 Operations & Maintenance (26x)	7.35%	7.7%	7.6%	9.3%	8.78%	8.2%	9.3%	9.3%	10.6%	11.2%	7.6%	
 Transportation (27x)	3.3%	4.5%	5.1%	4.0%	3.6%	2.8%	3.4%	5.2%	5.0%	4.5%	5.1%	
 Central & Other Support Services (28x, 291, 292, 295, 296, 298, 299)	3.0%	2.7%	2.8%	2.6%	3.0%	2.5%	1.0%	2.4%	3.4%	2.9%	2.8%	
TOTAL CURRENT OPERATING EXPENDITURES	95.0%	98.4%	98.4%	97.0%	98.4%	92.1%	97.3%	100.3%	97.8%	98.3%	98.4%	

 **STRATEGIC IMPACT:** Reallocating resources strategically can strengthen teacher retention, preserve programs, and address facility needs while maintaining fiscal responsibility.

 **FOCUS AREAS:**

-  Compensation Strategy
-  Student Support
-  Facility & Infrastructure
-  Academic Excellence

STRATEGIC RECOMMENDATIONS: IMMEDIATE ACTION NEEDED

Strengthening Our Financial Future While Investing in Our People and Students



IMMEDIATE ACTION IS CRITICAL: By implementing these strategic recommendations now, AAPS can build a stronger financial foundation, invest in our people, and sustain excellence for our students—today and into the future.

OUR RECOMMENDATIONS – IN ORDER OF PRIORITY AND TIMING

1

LAND AND BUILDING SALES



- ✓ Generate one-time revenue to strengthen fund balance and support long-term stability.
- ✓ Reduce financial risk and protect against future budget gaps.
- ✓ Avoid state intervention by proactively addressing structural deficits.



BOARD RECOMMENDATION:

Authorize the administration to pursue land and building sales opportunities to maximize value in the current real estate market.

2

COST CONTROL & EFFECTIVE VENDOR CONTRACTS



- ✓ Implement ongoing monitoring to control expenditures in all areas.
- ✓ Ensure purchased service vendor contracts are cost-effective, competitive, and performance-based.



BOARD RECOMMENDATION:

Direct the administration to review all purchased service vendor contracts and report back with recommendations to improve cost effectiveness and performance.

3

RIGHT SIZE STAFFING



- ✓ Invest in our people and retain top talent.
- ✓ Collaborate with union groups to align staffing with enrollment and program needs.
- ✓ Reduce costs responsibly through natural attrition.



BOARD RECOMMENDATION:

Approve the implementation of a right-size staffing and attrition strategy as part of the FY2027 budget planning process.

4

SCHOOL AND PROGRAMMING CONSOLIDATION



- ✓ Optimize resources and right size our district footprint.
- ✓ Sustain quality of programming through structural realignment.
- ✓ Maximize opportunities and outcomes for every student.



BOARD RECOMMENDATION:

Direct the administration to develop and present a district consolidation and program realignment plan for Board consideration.



THE BOTTOM LINE: These strategic actions are essential to ensure AAPS remains financially stable, invests in our people, and delivers high-quality educational experiences for all students—now and into the future.



THE TIME TO ACT IS NOW.

Thoughtful planning. Responsible budgeting. Stronger schools. Brighter futures.



ANN ARBOR PUBLIC SCHOOLS
LEAD. CARE. INSPIRE.

AAPS Budget Briefing
FY 2025-26 Final Amendment
FY 2026-27 Proposed Budget
Board of Education
June 3, 2026